Asian Recorder

A WEEKLY DIGEST
OF ASIAN EVENTS
WITH INDEX

1969

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HOW TO MAINTAIN ASIAN RECORDER FILE:

ASIAN RECORDER news sheets are issued weekly. They are numbered connectively from the first issue in January, 1955.

Events in all the countries of Asia are listed under each country, arranged alphabetically, with a summary for each if necessary.

Events about Asia happenings outside Asia are listed under a separate heading —ASIA OUTSIDE ASIA.

Sport is listed at the end, without regard to country.

Each item is acknowledged to the source from which it is taken—newspaper, periodical, Radio, Embassy or Government Department—to give it authenticity.

Every three months, these news-sheets are accompanied by an INDEX. Each year, the Annual INDEX will incorporate all the three previous quarterly Indices. An explanation of the INDEX is given on the back-cover.

To insert news-sheets in the cover-binder, open the binder by the back-flap, unscrew the nuts, raise the flat rod and insert the news-sheets : thereafter, let the flat rod rest on the sheets, press the flat rod firmly and screw down the nuts.

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ASIAN RECORDER

A Weekly Digest Of Asian Events With INDEX

(Founded 1955)

January 1—7, 1969

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Vol. XV No. 1

AFGHANISTAN

A. Mr. N. A. Etemadi's Visit To USSR: The Prime Minister, Mr. Noor Ahmad Etemadi, paid an official visit to Moscow in the second week of October, 1968 at the invitation of the Soviet Government.

Mr. Etemadi had prolonged talks with the Soviet Premier, Mr. Alexei Kosygin, and other leaders on matters of common interest, particularly economic co-operation between the two countries.

Mr. Etemadi invited Mr. Kosygin to visit Afghanistan in 1969 and to attend the celebrations of the 50th anniversary of the establishment of friendly relations between their countries.

A joint **communique** issued on November 14, 1968 said that the discussion of the international problems showed again that the Governments of the two countries had identical or close views on many points.

The **communique** expressed concern with the situation that formed in the Middle East as a result of Israel's aggression against the Arab countries and the situation that endangered peace. Both sides also expressed profound satisfaction over the fact that the majority of the countries had signed the Nuclear Non-Proliferation Treaty. They also declared that they were invariably striving to help in every way to liquidate completely the remnants of colonialism.

The two sides expressed their will to develop mutually advantageous co-operation over the period when Afghanistan was carrying out its Third Five-Year Plan.

(Tass and The Statesman, New Delhi)

[Prev. ref. 7003:AFG:A]

BHUTAN

A. Constitutional Reforms: In a bid to make his country's monarchical system the most democratic of any monarchy in the world, King Jigme Dorji Wangchuk announced some constitutional reforms in a speech before the Tsongdu (National Assembly) in the second week of November, 1968.

The King suggested that the Tsongdu pass an amendment to the Constitution whereby if two-thirds of the members of the Assembly were satisfied that the King of the land was not ruling the country to the best interests of the people and demand his elimination, the ruling monarch would have to step down from the throne in favour of his successor. "While the monarchy is certainly a sacred institution, more so if it is popular, no monarch should feel secure on the throne just because he inherited it, even when his rule appears patently unpopular".

By this reform, the King sought to make the continuity of the rule of any individual ruler dependent on his enjoying the support of at least two-thirds of the members of the Assembly. He hoped that this reform would bring the monarch closer to the people, make him more conscious of his direct personal responsibility for the welfare of his subjects and thus ensure political stability in the country.

He said: "I think our country is not so much secure being located between two powerful and big countries. But at present there is no danger of any aggression from outside and there is peace and goodwill everywhere. I think this is a golden opportunity to plan for and provide strong security both for the present and the future."

Last April, the King had given his country its first Ministry.

The Tsongdu earlier approved two other changes proposed by the King towards the process of democratizing the monarchy. Henceforth, the Tsongdu became a near-sovereign body. No decision of the Tsongdu, embodied in any resolution or statute passed by it, would have to receive the assent of the King to be effective and operative. These would automatically be binding on the Government.

Secondly, the freedom of speech, so long limited to the members of the Tsongdu, would now be enjoyed by all Bhutanese nationals.

The 150-member Tsongdu—the indirectly elected National Assembly of Bhutan—comprises monks, Ministers and laymen drawn from rural constituencies.

(The Statesman, Calcutta)

[Prev. ref. 8347:BTN:A]

CAMBODIA

A. Prek Thnot Project—Aid From Ten Nations: An Agreement providing for implementation of the

Prek Thnot power and irrigation development project was signed at UN Headquarters in the second week of November, 1968 by representatives of 10 co-operating Governments—Australia, Canada, West Germany, India, Italy, Japan, the Netherlands, Pakistan, Philippines, Britain and Cambodia.

The ten Governments and the UN Development Programme (UNDP), at a conference in September, 1968 had agreed to contribute the equivalent of $17,745,000 towards the $27 million cost of the first stage of the project, which is part of the co-ordinated programme for development of the Lower Mekong River Basin. The remaining costs will be met by Cambodia.

The project, Cambodia's first multi-purpose river scheme, involves the construction of a dam on the Prek Thnot River for power, irrigation and flood control. It is designed to provide, in the first stage, irrigation for 5,000 hectares; a power installation with a capacity of 18,000 kw; a storage dam; a diversion weir; and supplementary construction.

(UN Newsletter)

[Prev. ref. 8320:AOA:R]

CHINA

A. Cultural Revolutionary Committees Formed In Tibet: According to **Lhasa Radio,** cultural revolutionary committees—a prestige project of Mr. Mao Tse-tung—were formed throughout the Autonomous Region of Tibet on September 5, 1968.

The **Radio** admitted that a protracted and fierce struggle had to be waged before the committees could be set up by assembling the "army, cadres and masses" in one revolutionary group.

The Revolutionary Committee for the Tibet Autonomous Region (TARRC), was headed by Mr. Tseng Yung-ya, acting military commander of the occupation forces in Tibet. Of its 12 members, eight Chinese, including Mr. Jen Jung, political commissar of the Tibet military area, and four were Tibetans, including Mr. Ngabo Ngawang Jigme, chairman of the Tibet Autonomous Region.

The first session of the TARRC, which took place on September 19, adopted eight resolutions. They contained the usual eulogies to Mr. Mao Tse-tung but pointed out that all revolutionaries must follow Mr. Mao through Marshal Lin Piao.

One of the resolutions called for greater watchfulness to "Lin Piao's attitude to Mao's thoughts. We must learn from Lin Piao." Another resolution was devoted entirely to quotations from Marshal Lin Piao.

(Lhasa Radio and **The Times of India,** New Delhi)

[Prev. ref. 8549:CHI:B]

B. Changes In Educational System: Under the impetus of Maoist policy, rural primary schools are rapidly abandoning most conventional studies.

They are becoming community centres where a modicum of reading, writing and arithmetic is mixed with massive portions of the thoughts of Mr. Mao Tse-tung, daily labour in the fields, and peasant-taught classes on how to do farm tasks.

The prospects are that State elementary schools in rural areas will disappear, with some possible exceptions, and that all rural primary schools will provide only the most rudimentary instruction in conventional subjects.

Directives issued from Peking in August, 1968 had called for workers in the cities and peasants in the countryside to assume, with the help of the military, a vanguard role in the Cultural Revolution. Specifically, workers and peasants were told to take over schools, from universities downwards. Workers and peasants have proceeded with school take-over throughout the country.

The Maoist indictment against the rural schools is that they put too much emphasis on book learning and conventional subject matter.

The blame for the whole system was put on the "bourgeois-revisionist" policies that Mr. Liu Shao-chi, as Head of State, was said to have put into effect.

(The New York Times and **China Reporting Service,** Hong Kong)

[Prev. ref. 8123:CHI:F and G]

C. Efforts To Re-build Party: China has embarked energetically on the task of re-building the Communist Party after the ravages caused by the Cultural Revolution.

This effort, in the words used by Mr. Mao Tse-tung at the plenary meeting of the Central Committee, consists of "getting rid of the stale air and letting in the fresh." The object, therefore, is to eliminate a certain number of former party members and admit new elements. After the storms and vicissitudes of the Cultural Revolution, it is now the fate of many individuals which is at stake.

Observers believe the Central Committee may have intended to encourage the "most advanced" elements in the lower ranks of the party to proceed vigorously with the necessary purge. The Committee did so by setting the example of formally expelling Mr. Liu Shao-chi.

It also condemned specifically the "adverse February current" of 1967. Though this phrase was not amplified, it probably refers to an "anti-Left" current which was prevalent at the beginning of 1967.

The election of new, dynamic members of the party is a process which is believed to pass through several stages. It appears that each individual case is first discussed at the base, by "units of the masses". After a sifting process, the final decisions are thought to be made at the city or provincial level.

According to Peking reports there appears to be little reason to doubt, however, that the operation will be carried out successfully in the next few months. This will finally permit the holding of the ninth congress of the Communist Party—the first in 10 years—which is expected to take place some time in the first half of 1969.

(The Times, London)

[Prev. ref. 8625:CHI:A]

D. Peking-Washington "Hot" Line: According to "authentic reports", the Pakistani High Commission's New Delhi newsletter said that a Peking-Washington "hot" line has been in use for over a year.

A telephone link between San Francisco and Shanghai had operated since July 14, 1968 by the Pacific Telephone Company. Peking and Washington make use of this on the quiet.

(Pakistan High Commission Newsletter)

INDONESIA

A. Move To Repeal Sino-Indonesia Dual Nationality Treaty: **Antara** reported in the second week of November, 1968 that the Government had submitted a Bill to Parliament to repeal Law No. of 1958 concerning the Sino-Indonesia Dual Nationality Treaty.

The main point of the Law was in effect to express agreement with the Treaty which the two countries signed originally in 1955 when the Chinese Premier, Mr. Chou En-lai, was in Bandung to take part in the Asian-African Congress.

Under the Treaty, overseas Chinese in Indonesia could obtain Indonesian citizenship merely by opting for it. Specifically the Treaty provided that overseas Chinese born in Indonesia could choose their nationality within one year of coming of age. This Agreement was gathering dust for three years, but early in 1958 action was taken by Djakarta to activate the Treaty through passage of law. Due to opposition from local people, Indonesia stalled further action for some time, but subsequently when the Sukarno **regime's** relations with Peking were beginning to warm up, it gave in to pressure from China and the two Governments ratified the Treaty early in 1960 in Peking. The Treaty was to remain in force for 20 years, after which either party could terminate it after one year's advance notice.

The official Chinese news agency, **Hsinhua**, on November 17, 1968 attacked the Indonesian Government for seeking to annul it unilaterally after it had been in force for only eight years. **Hsinhua** termed the Indonesian move as "extremely grave" and charged that unilateral abrogation of the Treaty was aimed at persecution of overseas Chinese.

Peking's concern could be noted from the fact that after the passage of the proposed Law, overseas Chinese desiring to become Indonesian citizens could do so only after going through normal procedures like naturalization. Of approximately three million overseas Chinese in Indonesia, half were estimated to be Peking passport holders. It was people in this category who would be most hit by the proposed new Law. It would make it easier for the Indonesian authorities to take firm legal action against Chinese found or suspected of having links with the outlawed Communist Party.

The Bill was regarded as certain to be passed by Parliament because, according to Indonesian sources, no Bill was presented to Parliament unless its approval was certain.

(**The Hindu**, Madras)

[Prev. ref. 3139:CHI:B]

B. **Condemned Communists Executed:** The Army Prosecutor, Brig.-Gen. Mochamil Effendi, on October 30, 1968 confirmed that three of five condemned Communists had been executed the previous day.

He said they were Party politburo members Sudisman and Njono, and provincial party leader Wirjo Martono.

They were sent to the firing squads after President Suharto had rejected clemency appeals on their behalf from the Soviet Communist Party leader, Mr. Nikolai Podgorny. They were condemned for their part in the 1965 **coup** attempt.

Djakarta also ignored a strongly worded appeal by the Soviet Communist Party Central Committee which said the execution of two politburo members—Njono and Sudisman—would damage Indonesia's national interest, "a responsibility which rests with those who are interested in maintaining the frenzy of anti-communism in the country."

The Soviet Union had officially maintained that the chief responsibility for the 1965 **coup** lay not with the Indonesian Communist Party, but with a group of rebel army officers.

Two other communists, the intelligence chief, Mr. Sjam, and the rebel army officer, Brig. Supardjo, were not executed as originally reported by army sources.

Russian Criticism:

The Soviet Communist Party newspaper **Pravda** on October 30 described as an "atrocity the execution of three Indonesian Communist leaders accused of participating in the abortive 1965 **coup.**

It said: "Reaction in Indonesia has apparently set itself the task of physically annihilating and politically suppressing all patriots and anti-imperialists who stand for the country's genuine independence, and primarily Communists."

Tass described the execution as a "criminal act."

(**National Herald**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 8630:IND:A]

C. **Agricultural Co-operation With Malaysia:** The Ministers for Agriculture of Indonesia and Malaysia met in Djakarta in the second week of November, 1968 to discuss possibilities of increasing co-operation between their countries in the agricultural sector.

A joint **communique** issued on November 10 said the two Ministers had agreed that closer co-operation between the two countries in the fields of agriculture, fishery and animal husbandry should be along the basic lines laid down at the ASEAN Conference.

Both Ministers agreed to have closer co-operation on the boosting of production and the promotion of research and marketing of agricultural commodities. They held that trade in agricultultural, fishery and animal husbandry products between the two countries should be made direct, without an intermediary. A special committee should be set up where Indonesian and Malaysian representatives could negotiate fishery issues in the Straits of Malacca.

They called for joint projects to meet the demand for cattle protein in the two countries, and also for joint projects for animal husbandry products and a modern cattle breeding centre in Indonesia.

Economic Relations:

Meanwhile, a delegation of the Medan-Indonesia-Malaysia Chamber of Commerce recently visited Kuala Lumpur and conducted discussions with the United Chambers of Commerce in Malaysia. They exchanged views on economic relations between the two countries.

At the meeting, both sides discussed trade implementation, particularly as regards the "Basic Arrangement on Trade and Economic Relations" signed on May 11, 1967.

Both sides were of the view that results of the trade implementation had not yet achieved the level expected. This was especially because the trade regulations outlined were much heavier than those between Indonesia and Singapore.

Both sides also considered the setting up of a "Joint Chamber of Commerce" next to the possibility to conduct a joint venture between entrepreneurs of the two countries in various fields.

(**Information Service Indonesia**)

[Prev. ref. 8425:MAL:B]

IRAN

A. **Cabinet Re-shuffle:** The Prime Minister, Mr. A. A. Hoveida on November 24, 1968 announced a re-shuffle of the Cabinet and changes in the country's top economic and financial positions.

Six Ministers were involved. They included the Labour and Social Welfare Minister, Mr. Ataollah Khosrovani who became Minister of the Interior, and Mr. Manouchehr Partov who was made Minister of Justice, after having been Under-Secretary at the Justice Ministry.

The Deputy Prime Minister, Dr. Abdul Majid Majidi was appointed Minister of Labour, and the new Agricultural Products and Consumer Goods Minister was Dr. Manoucher Goudarzi.

(**Tehran Radio** and **The Hindustan Times,** New Delhi)

[Prev ref. 7548:IRN:C]

JAPAN

A. Another Term As Premier For Mr. E. Sato: Mr. Eisaku Sato was re-elected President of the ruling Liberal Democratic Party at a special convention held in Tokyo on November 27, 1968.

The President of the ruling party in Japan is automatically chosen to head the Government. So Mr. Sato is assured of at least two more years in office as Prime Minister for the third consecutive term.

Mr. Sato defeated his two rivals by big margins on the first ballot collecting 249 out of a total of 452 eligible votes. The former Foreign Minister, Mr. Takeo Miki got 107 votes, while the third runner, former Industries Minister, Mr. Maeo could get only 95. Thus, Mr. Sato fully lived up to his own pre-election confidence of winning on the first ballot.

Political observers expressed surprise at the strength shown by Mr. Sato in winning well over the required minimum of 228 votes, because even those among them who had conceded his victory had generally expected he would just squeeze through past the simple majority mark. Mr. Miki and Mr. Maeo who had concluded an election alliance in a bid to prevent Mr. Sato from gaining enough votes on the first ballot and thus force a second ballot failed badly. Mr. Sato's comfortable victory virtually ruled out any serious challenge to his leadership from his Party rivals for the next two years.

(**The Japan Times**, Tokyo)

[Prev. ref. 7470:JAP:A]

B. New Chief Executive Of Okinawa: Mr. Chobyo Yara, Chairman of the Okinawa Teachers' Association backed jointly by Opposition parties, was elected on November 10, 1968 as Okinawa's first popularly elected Chief Executive.

He defeated Mr. Junji Nishime, the candidate supported by the Okinawa Liberal Democratic Party (LDP) by about 30,000 votes.

LDP, however, retained a majority in the Ryukyu Legislature by winning 17 of the 32 seats in the election. The Socialist Masses Party took eight seats, the Socialist Party two and the People's Party three.

From among the 13 Independent candidates, one Leftist and one conservative were elected. The distribution of seats between the conservative and progressive camps was 18.14—the same ratio as before the election.

A notable advance was made by the pro-Communist People's Party, which increased its strength from one to three seats.

Mr. Yara, long involved in the Okinawan reversion movement, strongly opposes the presence of US bases and has called for the immediate reversion of Okinawa to Japan.

At a news conference in Naha on November 11, he said that he would first try to "soothe the nerves of the Okinawan people which have been affected greatly in the unusual warlike atmosphere created by the election." At the same time, he would continue to promote the campaign for the unconditional and immediate return of Okinawa to Japan.

He also pledged to work hard to improve the living standard of his fellow Okinawans. He declared that he would try to shift Okinawa's economic reliance on the military bases USA maintains in Okinawa to a "peaceful" basis.

The election of Mr. Yara as Chief Executive dealt a severe blow to both the Government and the Liberal-Democratic Party. Informed sources said Government and LDP leaders were apprehensive that the election results might adversely affect the timetable for Okinawa's reversion now being contemplated by the Prime Minister, Mr. Eisaku Sato.

Mr. Sato said that Okinawans were not well-informed about the LDP policy of carrying out its Okinawa reversion programme based on a gradual identification approach.

(**The Japan Times**, Tokyo)

[Prev. ref. 8525:JAP:A]

C. Joint Struggle Against Security Treaty Planned: The Japan Socialist Party (JSP) has decided to form a joint front with the Communist Party "to the minimum possible extent" in the struggle against extension of the Japan-USA Security Treaty in 1970.

The Democratic Socialist Party (DSP) and the Komeito were excluded from the campaign. The reasons given for their exclusion were that DSP recognized the Security Pact, while Komeito refused to carry out the anti-Treaty struggle outside the Diet.

A special committee of JSP has prepared a draft programme of struggle for the abrogation of the Security Treaty.

Headed by Chairman Tomomi Narita, the special committee was entrusted with the task of co-ordinating all activities of the party connected with the anti-Treaty campaign.

The draft struggle policy stressed the party's strong desire to make the 1970 struggle fruitful by asserting Socialist leadership and carry out the rehabilitation of the party during the struggle process. In analyzing the situation surrounding the 1970 anti-Security Treaty struggle and its characteristics, the draft defined that the party's struggle against the automatic extension of the Japan-US Security Treaty in 1970 envisaged by both the Government and Liberal Democratic Party was entirely different from the 1960 anti-security pact movement. The 1970 struggle, therefore, should be consolidated by new forces, new policies, and new strategies as well as tactics.

(**The Japan Times**, Tokyo)

[Prev. ref. 8634:JAP:A]

D. Mr. Lee Kuan Yew's Visit: The Singapore Prime Minister, Mr. Lee Kuan Yew, paid an official visit to Tokyo in the third week of October, 1968.

He had discussions with the Premier, Mr. Eisaku Sato, the Foreign Minister, Mr. Takeo Miki, and other leaders concerned with foreign and economic subjects.

During the discussions, Mr. Lee told Mr. Sato that continued US commitment in South-East Asia was of decisive importance for the stabilization of the region. Should USA abandon its role, the countries of South-East Asia would be compelled to re-examine totally the question of security for the whole of South-East Asia.

He pointed out that the two major sources of instability were the communist subversive activities in Malaysia and the influences of a still unstable Indonesia.

Mr. Sato proposed to Mr. Lee that Singapore join the Asian and Pacific Council (ASPAC). Mr. Lee said Singapore was ready to consider joining ASPAC positively, if it become clear that the regional organization would bring benefits to his country.

In reply to a question by Mr. Sato on the planned British withdrawal from South-East Asia, he said Singapore had had to accept the British decision taken to cut her overseas expenditures. He would continue to watch what Britain would do in the event a Conservative Government took over, pointing out that the Conservative leader, Mr. Edward Heath had declared that his party supported continued presence of British forces in South-East Asia.

On Japan's private investment in Singapore, he expressed satisfaction over the management of the Jurong Shipyard in the suburbs of Singapore City by a Japanese staff of Ishikawajima-Harima Heavy Industries. He disclosed that some 500 shipbuilding workers would soon be sent from Singapore to Japan for training.

The Joint Communique:

In a joint **communique**, Japan said Singapore pledged to facilitate the growth of bilateral trade relations and to encourage the development of economic co-operation between the two countries.

In it, Mr. Lee and Mr. Sato hoped that an early solution in Viet-Nam would greatly enhance the prospects of peace and stability in South-East Asia.

They welcomed the sign of growing regional and sub-regional co-operation in East and South-East Asia and South Pacific.

They saw a widening sphere of co-operation between the two countries within the frame-work of various regional organizations, particularly those for the enhancement of regional economic co-operation.

Their cordial discussions revealed an identity of views on a number of matters of common concern and confirmed the usefulness of personal contacts to further develop friendly relations between the two countries.

(**The Japan Times**, Tokyo)
[Prev. ref. 8012:SGP:A]

E. Ten-Fold Expansion Of Economy Predicted: A fantastic ten-fold expansion of the economy with the Gross National Product reaching the $1,000 billion level within the next two to three decades is the projection made by the Japan Regional Development Centre in an **interim** report on the basis of a survey it carried out recently.

Already, Japan's GNP in 1967 was about $120 billion, making it the third largest in the world. A level of $1,000 billion would probably place Japan's GNP next only to that of the United States, which is now of the order of $800 billion but which can also be expected to grow correspondingly during the same period to retain top spot in the world.

The survey also brought out a number of other salient points, which add up to painting the following future picture of Japan:

The country is expected to have something like 8,000 km. of expressways as compared with the present modest total of a mere 300 km. The study also indicated the need for large-scale airports and harbour facilities.

Demand for energy is expected to expand by ten times the present level, while the birth of new large-scale industrial establishments such as petro-chemical complexes is expected to call for the reclamation of something like 330 million square metres of land.

(**The Japan Times**, Tokyo
and **The Hindu**, Madras)
[Prev. ref. 8568:JAP:E, 8654:JAP:D]

F. World's Strongest Steel Developed: The development of the strongest steel in the world was announced at a recent meeting of the Japan Metallurgical Society in Senai, north-east Japan.

Called "IN-U Steel," it is ultra-high-tension steel, developed by Dr. Hajime Nakamura, director of the Technical Research Institute of the Ishikawajima-Harima Heavy Industries Co., known for the construction of the world's biggest tanker. It has enough tensile strength to resist up to 250 kg of pressure per square millimeter.

Dr. Nakamura is also the inventor of the high-tension steel "IN Steel"' used for high-pressure containers, such as spherical tanks for propane gas, as well as ships and bridges. But the tensile strength of "IN Steel" is 100 kg or considerably lower than 180 kg of American-developed steel for jet aircraft. The newly developed "IN-U Steel" is 1.5 times stronger than the American steel. Ishikawajima-Harima Heavy Industries has applied for patent rights in not only Japan but also the United States, West Germany and Britain. At the same time, it is conducting intensive research for practical application of the new steel.

Several problems, including a welding method, remain to be resolved before the full practical application of the new steel. But Dr. Nakamura is optimistic in this respect. He says: "IN-U Steel is characterized by low cost, great strength and light weight. In the near future, it will be used as material for a wide range of products, such as super-high-speed engines and gas turbines. The new steel will also meet the needs of space science."

(**The Japanese Embassy**,
New Delhi)

G. Heart Transplant Patient Dead: Japan's only heart transplant patient, Nobuo Miyazaki (18) died on October 30, 1968 after his trachea became obstructed by phlegm.

The death came 83 days after the successful heart transplant operation, conducted at the Sapporo Medical College Hospital on August 8.

The death was sudden and unexpected, according to Dr. Juro Wada who had conducted the operation.

A medical bulletin published by Dr. Wada in mid-October had said Miyazaki had tided over hepatitis from which he had suffered after a month-long smooth recovery from the major surgery. Later, Miyazaki died of acute respiratory insufficiency induced by bronchitis.

(**The Japan Times**, Tokyo)
[Prev. ref. 8526:JAP:E]

JORDAN

A. Parliament Calls For All-Out Effort Against Israel: The House of Representatives on October 7, 1968 called for doubling of efforts to develop the armed forces and stressed that the struggle against Israel would not end until all Arab territory was liberated.

It also paid a tribute to Iraqi and Saudi Arabian forces stationed in Jordan and to other Arab forces facing Israel. It said Jordan would not end its struggle "until the usurped Arab territory is liberated and the great sanctities and the Aqsa Mosque (in occupied Jerusalem) are saved".

It added that all activities in Jordan should be "consistent with the requirements of the battle (with Israel) and the country should be placed in a state of austerity, preparedness and general mobilization."

The House thanked Arab countries which supported Jordan politically, militarily and financially. It also expressed support for Jordan's Arab and foreign policies, and appreciation of the attitude of "friendly countries which stand on the side of the Arabs."

The House of Notables (the Upper House) also expressed support for the Government's domestic and foreign policies.

(The Egyptian Gazette, Cairo)

[Prev. ref. 8634:ISR:A]

B. **Economic Agreement With Rumania:** Representatives of Jordan and Rumania signed in Amman on November 20, 1968 an Agreement under which Rumania will prospect for oil in an area east of the Jordan River. It also provided for technical and economic aid to Jordan.

Rumania, which also has an Economic Agreement with Israel, will supply equipment and technical knowledge to Jordan for the building of fertilizer, super-phosphate and mineral plants and power stations during 1968-77. Jordan will repay the cost with phosphates and other minerals.

Under the 10-year petroleum co-operation agreement, Rumania will provide technical knowledge, aid and equipment for Jordanian geological and oil prospecting and production projects, as well as prospecting themselves.

A 10-year Trade Agreement allows Rumania to buy phosphates, cigarettes, vegetables, fruit, textiles and other products to the extent of 30 per cent of its exports to Jordan. These will mainly be industrial machinery and equipment, trucks, timber and sugar.

(The Egyptian Mail, Cairo)

[Prev. ref. 8277:ISR:H]

KUWAIT

A. **Shah Of Iran's Visit:** The Shah of Iran visited Kuwait from November 13 to 17, 1968.

At the end of the visit, the Shah and the Emir of Kuwait issued a joint **communique** on November 17 urging the withdrawal of Israeli forces from occupied Arab lands and the return of Jerusalem to its former status.

It said that the Shah and the Emir reviewed the current West Asian situation and declared their support for the rights of the Palestine Arab people.

The two rulers studied the situation in the Persian Gulf area also and asserted their belief in continued stability there and co-operation towards prosperity and progress.

(The Times, London and **The Statesman,** Calcutta)

[Prev. ref. 8357:IRN:C]

LEBANON

A. **Dr. A. Yafi Withdraws Resignation As Premier:** The Prime Minister, Dr. Abdullah al Yafi, on November 13, 1968 withdrew his resignation 24 hours after submitting it to President Charles Helou.

Sources at the Prime Minister's office said that Dr. Yafi had withdrawn his resignation after numerous approaches by parliamentary groups and people's organizations.

President Helou had refused to accept Dr. Yafi's resignation, although the Premier had been insisting on the Government's departure in its present form. He favoured a more broadly-based Cabinet. It was now formed by four men, the three others being Mr. Hussein al-Oweiny, Mr. Pierre Gemayel, and Mr. Raymond Edde.

Dr. Yafi had tried to form a Government eight days before, but the Ministers named had rejected their appointments, insisting that the country needed a more broadly-based Cabinet, with all or most parliamentary groups represented. Dr. Yafi then formed his tight little team, with himself holding the Finance, Information, Social Affairs and Education portfolios, Mr Hussein al Oweiny was Minister for Foreign Affairs, Defence, Justice and Economy. Two other Ministers, Mr. Pierre Gemayel and Mr. Raymond Edde shared the other Ministries.

(The Egyptian Gazette, Cairo)

[Prev. ref. 8617:LEB:A]

B. **Birth Control Policy:** In line with the policy of the Roman Catholic church, Lebanon has become perhaps the first country in Asia to take a step back from population control.

Until the third week of November, 1968, contraceptives of every sort were freely available at any pharmacy. But the Ministry of Health has now decreed that they will be supplied only on a doctor's prescription.

The move is the work of the Health Minister, Mr Pierre Gemayel, a former pharmacist himself, and a member of the Maronite church, an indigenous offshoot of Roman Catholicism.

The Maronites claim that theirs is the "national" church of Lebanon, even though they make up no more than 25 per cent of the country's population.

So when Mr. Gemayel heeded the Pope's recent encyclical condemning the use of contraceptives, he was imposing a minority view on the majority of his countrymen and on his own co-religionists, because recent inquiries have revealed that a great many Roman Catholics in Lebanon, as in other countries, quietly ignore their Church's ban on contraception.

(The Statesman, Calcutta)

[Prev. ref. 8488:AOA:C]

PAKISTAN

A. **Disturbances Continue—F-M. Ayub Khan's Broadcast:** In his first-of-the-month broadcast to the nation on December 1, 1968, President Ayub Khan made major concessions to protesting students in efforts to end three weeks of anti-Government demonstrations.

He defended the recent arrest of Opposition political leaders, defended his administration against corruption charges and warned the people that "the whole nation may have to face turmoil and chaos" if the disturbances continued.

He devoted the major portion of his 22-minute speech to the students, saying "it is the duty of the Government to redress (their) genuine grievances."

He then ordered the repeal of a seven-year-old law that enabled the Government to withdraw college degrees from persons considered to have engaged in subversive activities after graduation. Opponents have charged that it limited political activities.

He also ordered a lowering of the minimal qualification marks for second division ranking from 50 to 45 per cent throughout the country and the lifting of promotion restrictions on students who fell in the third division.

Referring to the detention of Opposition political leaders, including the former Foreign Minister, Mr. Z. A. Bhutto, on November 13, 1968 on charges of inciting violence, he expressed "deep regret" that the arrests had been made. "The Provincial (West Pakistan) Government did everything possible to end these disturbances, and when no other alternative was left, it was forced to detain those who were promoting these disturbances."

President Ayub Khan added that the Government had enacted anti-corruption laws, but their effective enforcement was not possible unless persons brought forward evidence that someone was corrupt. "What is regrettable is that very few people have helped the Government in the application of these laws and in the eradication of bribery and corruption."

He lashed out at political opponents, who, he said, had no solution to offer for any basic problem. "All they say, in effect, is that what exists should first be destroyed and that the future will take care of itself. Such talk is clear proof that it comes from the morbid minds of irresponsible persons".

He also denied accusations that there were limits on freedom of speech, although he made no reference to similar charges about freedom of the Press.

He warned the nation that Pakistan might face increased "external pressure" if internal disorders continued.

Using language reserved for India, he said: "Unfortunately, there are certain Powers who are not reconciled to our existence and who want to weaken our national unity. They are always on the lookout for occasions which they can use for harming Pakistan. Our internal unity is the strongest front against the enemies. We should not allow this front to be weakened at any cost."

Air Marshal Asghar Khan Enters Politics:

The former Commander-in-Chief of the Air Force, Air Marshal Asghar Khan, who is regarded as a possible opponent to President Ayub Khan in the next Presidential election in 1970, announced on November 17, 1968 that he would enter politics.

The announcement, which followed a week of political and student unrest in Pakistan, apparently took the Government and country by surprise. Official Press agencies imposed on November 17 a clamp on all news of the 47-year-old Air Marshal's decision.

Air Marshal Asghar Khan, who retired as C-in-C in 1965, resigned his post as Chairman of Pakistan International Airlines earlier in 1968. In recent weeks he published a series of 12 articles criticizing the present **regime** and President Ayub Khan's policies.

Air Marshal Asghar Khan's Allegations:

Air Marshal Asghar Khan, former Chief of the Air Force, on November 17, 1968 accused the Ayub Government of keeping power through use of force and repression.

He also accused the Government of "nepotism, graft and administrative incompetence".

He stated this at a surprise news conference called in Lahore, where the Government had earlier detained the former Foreign Minister, Mr. Z. A. Bhutto.

He said that the values for which Pakistan was created were being "blatantly ignored". "I have been watching for some time the deterioration in the political, social and economic conditions in the country. Social inequality and economic disparity are increasing and the gap between the rich and the poor is widening day by day.

"As a result of these conditions, the vast majority of our people have lost confidence in the Government's ability to discharge its responsibilities. The law and order situation has therefore been inevitably affected".

He deplored the arrest of Mr. Bhutto. "The arrests are very regrettable. People should be allowed to express their views".

Asked about his role as Chief of the Air Force in 1958 when President Ayub staged his **coup,** he said: "I had a job to do, to run the Air Force and I continued to do this until my retirement. It wasn't a question of supporting any one".

Air Marshal Asghar Khan's Call To People:

Air Marshal Asghar Khan called on his countrymen on November 22, 1968 to start a massive campaign modelled on the Indian Independence movement to bring down the present Government of President Ayub Khan, and said that he saw no reason why the Ayub Government could not be forced to resign through "lawful means."

If the people of undivided India could force the British out, then Pakistanis could do the same thing through peaceful agitation. "But, of course, it shouldn't take that long."

He claimed that a "national crisis of confidence has been created in this country" through the ten-year rule of President Ayub. He urged the people to press the Government for restoration of "liberty and democracy", but stressed that any changes must be brought about lawfully.

He criticised Mr. Ayub Khan for backing a semi-independent Government in occupied Kashmir. "The present Government in 'Azad' Kashmir was a farce. Had it been a democratic Government, it would have inspired people on both sides of Kashmir to make a positive move towards Independence."

Mr. M. Murshed Also Joins Politics:

Another well-known national figure, the former Chief Justice of the East Pakistan High Court, Mr. Mahboob Murshed, announced his intention in Dacca on November 26, 1968 of entering politics, posing a new threat to President Ayub Khan.

Observers in Dacca said that the decision by Mr. Mahboob Murshed could lead to his running in the 1970 elections against President Ayub Khan.

In a statement, Mr. Murshed condemned "the repression with which free expression of unpalatable views is suppressed" and expressed his dissatisfaction with the current situation.

He said: "I have been noticing, with deep concern, the steady deterioration of the political life of the country. My irrepressible optimism, however, makes me feel that truth and justice must triumph in the end if we put up a determined and united resistance to evil.

"Against this background, I have read with profound interest the recent pronouncements of Air Marshal Asghar Khan. I fully endorse them. The problems are insistent."

Mr. Mujibur Rahman's Criticism:

In his book—"Friends, Not Foes"—Mr. Mujibur Rahman, the East Pakistani leader and author, has said that in Pakistan "democracy has been fettered and its apologists have been handcuffed".

The 202-page book, which analyses in depth the inherent weaknesses of the present administration in Pakistan, has been banned by the Government. A few copies of the book have, however, reached India.

It says that "democracy has been declared unsuited to the genius of the Pakistani people and replaced most unceremoniously by an executive fiat which goes by the name of Basic Democracy, a nomenclature hitherto unknown not only to the political thinkers and philosophers but to the most autocratic rulers of the world.

"The accredited national leaders have been politically ostracised by a sham show dubbed as legal, disabling them from participating in national affairs with a view to reducing them into political limbo or obscurity".

He says that the "prostrated nation is gasping for want of free thought, self-expression and freedom of Press".

"The octopus of autocracy has spread its tentacles to the sacred precincts of the educational institution, eroding the last vestiges of liberal and democratic values of both the autonomous character of the institutions and the students' own forum—the unions."

Mr. Rahman has described the development policy of the Government as "lopsided and unplanned" and "sometimes pursued on political consideration".

"The few privileged families have

grabbed almost the entire wealth of the nation—each one monopolizing at a stretch the means of production and distribution, right from industry, banking, insurance, export and import down to the wholesale and even retail business in the country."

More Disturbances:

Shops in many Lahore markets were closed on November 25, 1968, after only an hour's business, in protest against the recent arrest of political leaders and students.

On November 25, about 300 students damaged Government buses, battled with policemen and tore and burnt President Ayub Khan's photographs as they paraded the shopping centres.

Earlier, Mr. Mustaq Ali Bhutto was served with a notice under Section 5 of the Ordinance requiring him to leave the revenue limits of Sukkur district.

A similar notice was also served on Mr. Qutubuddin Sultani, an externed student of Quetta, asking him to quit the revenue limits of Sukkur district.

On November 26, about 3,000 college students marched through the streets of Rawalpindi shouting anti-Government slogans. The students walked out of their colleges which opened on November 25, after being closed for 18 days because of the riots.

The students chanted slogans against the Government. They shouted that they were "for Bhutto".

It was the latest in a series of demonstrations in the wake of the arrest of student and political leaders. No casualties were reported.

Schools and colleges in Islamabad and Rawalpindi were closed indefinitely on November 26, 1968. Colleges in the Lahore region and Peshawar division also remained closed until further notice.

This step seemed to have been taken in view of the massive student demonstrations in connexion with the "protest day" observed on November 25.

On November 27, 1968, police used tear gas and a baton charge to disperse students who sacked the United States Information Service library in Peshawar.

In Bahawalpur, a mob set fire to the Muslim League office and attacked the premises belonging to the brother of the League's Secretary-General, Sardar Mohammed Aslam Khan.

The police clashed with students in Rawalpindi on November 26, 1968 after they had stoned buses parked in a municipal enclosure. The clash followed a seven-hour anti-Government student demonstration by about 10,000 students including women. Women students took part in a demonstration for the first time in the history of Rawalpindi University.

The authorities promptly announced the closure of all educational institutions in the city—which were only re-opened on November 25, 1968 after an 18-day closure.

Police charged with steel-tipped staves and fired tear-gas in Rawalpindi on November 29 to disperse a crowd of over 5,000 people, mainly students. Troops guarded strategic points in Rawalpindi where three people died when police fired on rioters earlier in the month.

In Lahore, lawyers staged a silent march, carrying placards reading "Restore Democracy", 'Release Political Detainees", and "Restore Free Expression."

About 400 lawyers took part in another procession in Karachi demanding the release of political prisoners.

Lawyers had been playing a prominent part in the current agitation against the Government. They have provided a forum for Air Marshal Asghar Khan, former Air Force Chief, who entered politics to campaign for reform four days after Mr. Bhutto's arrest.

Processions were held in Peshawar and Karachi on December 2, 1968, and students attacked a train in Chakwal, 100 miles south of Rawalpindi.

On December 3, the police baton-charged demonstrating students in Karachi and arrested 13 persons, including three members of the People's Party.

Authorities in Rawalpindi re-imposed the ban on all meetings.

Two Persons Released By High Court:

The West Pakistan High Court ordered the release of two persons arrested under the Defence of Pakistan Rules with the former Foreign Minister, Mr. Z. A. Bhutto on November 13, 1968.

They were Mr. Ahmed Raza Khan, an advocate and a leader of the People's Party and Mr. Ghulam Mustafa Khar, a member the National Assembly.

Directing their release forthwith, the Court said that they were held in custody without lawful authority.

Mr. Ghulam Mustafa belongs to the ruling Muslim League Party.

President Rules Out Talks With Opponents:

Talking to newsmen in Lahore on December 4, 1968, President Ayub Khan ruled out any dialogue with his political opponents unless they had constructive suggestions to make.

But, he asked: "What basis have they got? Eight points, nine points, 12 points? Do you want to tear up the country into bits? Do you think any sensible Pakistani can contemplate such a thing?"

He defended the detention of Opposition political leaders and said: "They have not been detained for the sake of pleasure. The Government accepts that there is democracy in the country. The people have the right to express their views provided it does not endanger the life of the community."

He arrived in Dacca on December 5, 1968 and expressed "deep concern" over the continuing agitation in the country and added: "Pakistan is passing through critical times."

President Ayub's visit marked a ten-day anti-Government demonstration throughout East Pakistan launched by the Pakistan Democratic Movement. Marchers bearing black flags paraded through the main streets of Decca chanting anti-Government slogans.

Addressing newsmen in Dacca, he said that agitations would only weaken the country and undermine the country's plans to build it up.

Referring to internal and external dangers, he said: "The need of the hour is to maintain peace and security so that the country could progress unhindered."

President To Name His Successor:

President Ayub Khan announced in Decca on December 6, 1968 that he did not intend to be President of Pakistan for life nor had he any desire to continue his post indefinitely.

Addressing a rally of farmers and educators, he said: "The time will come when I will name the persons who will succeed me and continue the work left by me. There is none among the Opposition who can run the country."

Students Committee's Statement:

In Rawalpindi on December 4, 1968, the Pakistani Student Action Committee welcomed the acceptance of some of their demands by President Ayub Khan, but regretted that their complaints had not been entirely settled.

In a statement, it said that the repeal of only one provision in the recent university law—relating to the forfeiture of degrees previously awarded—could not solve the real problem. They had wanted this "black law" done away with altogether.

In Karachi, the pro-Chinese National Students' Federation decided to continue the "struggle" until all imprisoned student leaders were released.

(**Dawn**, Karachi, **Radio Pakistan, The Times**, London, **The Statesman**, Calcutta and New Delhi and **The Hindu**, Madras)

[Prev. ref. 8142:PAK:E, 8177:PAK:A, 8462:PAK:A, 8486:PAK:G]

B. Border Trade Pact With China: The conclusion of a border Trade Agreement between China and Pakistan early in November, 1968 (following negotiations held in Kashgar in China's Sinkiang-Uighur Autonomous Region) was disclosed by the official Chinese news agency, **Hsinhua**, on November 15.

The Pakistani delegation to conclude the Agreement went to Kashgar on November 3 and returned home on November 8 after exchanging letters with the Chinese side on the question on November 7.

About the Agreement, **Hsinhua** only said both sides held that "unfolding of Sino-Pakistan border trade would further promote friendship and friendly trade between the peoples of the two countries."

(**The Hindu**, Madras and **The Japan Times**, Tokyo)

[Prev. ref. 8485:PAK:C]

C. World Bank Loan: The World Bank announced in Washington on November 27, 1968 a $35 million loan for improving roads in West Pakistan.

The project includes the construction of two important highways, studies looking to future construction, a three-year maintenance programme, a transport coordination study for West Pakistan, and consultants' services for the reorganization and training of staff of the highway department of West Pakistan.

(**The New York Times**)

[Prev. ref. 8379:PAK:I, 8454:PAK:P]

D. Auction Of Indian Evacuee Property In West Wing: The Government announced on November 26, 1968 an auction of Indian evacuee property in the West Wing.

The announcement said: "As approved by the Chief Settlement and Rehabilitation Commissioner, West Pakistan Government," the auction of certain "evacuee industrial concerns, big mansions and cinema houses" would be held on various dates in November and December.

The property listed for auction on the first day included a "big mansion known as Ishar Dass Building, McLeod Road, Lahore, Bankey Mal Narinjan Dass Cotton Factory, Pattoki Kirpa Ram Bakshi Ram Cotton Factory, Qasur and Prema Ice Factory, Sheikhupura.

India's Warning:

On October 6, 1968, India warned Pakistan that if she persisted in her attempt to auction Indian properties and assets, seized after the 1965 conflict, a serious threat to normalization of relations between the two countries would develop.

The warning was contained in a Note handed to the Pakistan Deputy High Commissioner at the External Affairs Ministry in New Delhi.

Attached to the Note was a list of Indian properties proposed to be auctioned by the Pakistan Enemy Properties Management Board. Among them were two tea estates in Sylhet, eight factories and a cinema house.

It repeated the Indian Government's readiness to discuss the subject of the return of property and assets taken over by either side and recalled the many invitations extended to Pakistan in this regard to implement the undertaking given by the two countries at Tashkent.

Indian Premier Insurance Taken Over:

The Pakistan Government directed on November 25 that, under the Defence of Pakistan Rules, all assets of the Premier Insurance Company of India would vest in the Managing Director of the Pakistan Insurance Corporation as the Additional Custodian of Enemy Property to West Pakistan.

The Order covered movable and immovable assets and all rights and interests under contract belonging to or held by the manager on behalf of the firm.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 8609: PAK:E, 8428:PAK:J]

E. New Chief Justice Sworn-in: Mr. Justice Hamoodur Rahman was sworn-in in Rawalpindi as Chief Justice of the Supreme Court of Pakistan on November 18, 1968.

(**Radio Pakistan**)

[Prev. ref. 8429:PAK:O]

F. Malik Kibat Khan Assassinated: As unknown assassin shot and killed a member of the West Pakistan Provincial Assembly, Malik Kibat Khan, on November 20, 1968.

Mr. Khan was shot while standing beside a car on the outskirts of Parachinar.

(**Radio Pakistan**)

G. Mr. Z. A. Bhutto's Allegations Against Ayub Regime: In his controversial book, **The Political Situation in Pakistan,** Mr. Zulfikar Ali Bhutto has debunked the stability of President Ayub Khan's Government as a "myth."

A copy of the book, which had been banned by Pakistan, has reached New Delhi. Its blood-red cover describes the publication as the first issue of a political series of the Pakistan People's Party.

The book spells out Mr. Bhutto's philosophy **vis-a-vis** China and its importance for Pakistan. It also refers to Indo-Pakistani relations in general and the Kashmir issue in particular.

Mr. Bhutto has said that "the sickness of the President showed that this **regime** is not founded on permanent institutions. The stability is a myth because there is no trace of continuity in the politics of this Government. Both internal and external policies have been erratic and contradictory. They have swung from one side of the pendulum to the other".

"Stability," he points out, "certainly does not mean that a **regime** should remain in power for a decade. It means that a Government's policies should be given time to show results and not keep changing. It means that there must be institutions to provide for an orderly transfer of power from one Government to another. Neither of these conditions exists in Pakistan."

According to Mr. Bhutto, President Ayub's "recent illness had thrown open a question of succession. For over two months, the Government operated mysteriously and in violation of its own Constitution. To give one example only, the Speaker of the National Assembly administered the oath of office to a judge of the Supreme Court in violation of the Constitution which gives him authority only when he is declared as the Acting President. Instead of being kept close to the scene, he was bundled out of the country on a delegation to avoid the embarrassment of his presence which would have put into focus his constitutional position. There are other instances of flagrant violation of the Constitution."

Referring to Indo-Pakistani relations, he says that "recently however, under the advice of foreign friends, India has adopted a more sober attitude towards Pakistan. Does this mean that another endeavour is to be soon made to negotiate a broad settlement? This is not a new development in Indo-Pakistani relations. It has come and gone periodically. Beginning with Liaquat Ali Khan, every Prime Minister of Pakistan has had to contend with it.

"The spirit of reconciliation and of animosity recorded the highest and lowest points during the **regime** of President Ayub Khan. Now the cycle is being repeated for the second time during this **regime.** This is the only difference. India is gaining time and weakening Pakistan in the process".

On Kashmir, he was of the view that "bilateral negotiations with India on Kashmir would be even more futile. Circumstances make it imperative for the Government to return immediately to the Security Council and seek its authority to fulfil its own solemn obligation made in unequivocal terms in the resolution of September, 1965."

Referring to Sino-Pakistani relations, he said that "China is the only country which will be sympathetic to Pakistan's real requirements. This is so because that country's interests in the sub-continent coincide with those of Pakistan. It is strictly a question of mutuality of interests."

"If we look around us, the only Great Power whose objective interests coincide with Pakistan's and the only country capable of assisting Pakistan is China. That country alone is capable of reducing the imbalance, either by the supply of military equipment or by political means or both.

"Pakistan will always need a plus-factor for coping with India. Whether the Government likes it or not, it so happens that the plus-factor is the People's Republic of China. If that factor is removed, Pakistan will always be at the mercy of all the three Great Powers and India."

(The Times of India,
New Delhi)

[Prev. ref. 8462:PAK:A, 8486:PAK:G]

H. No-War Pact Offer To India: In a nation-wide radio and television broadcast by President Ayub Khan on October 26, 1968, the eve of the 10th anniversary of his assumption of office, he said the Pakistan was "most willing to sign a no-war pact with India provided it was accompanied by another pact defining how the two countries could settle their present and future problems.

He said: "If India was to come to an agreement with us on the substance of such a pact, we shall be very happy indeed." He, however, regretted that there had been no settlement with India so far and that it continued to build its armed forces at an alarming rate and at the cost of enormous hardship to its people. Pakistan could hardly remain oblivious to all this. Pending a settlement, it must build a deterrent force to deal effectively with any possible threat.

He said that because of Pakistan's geographical position and the fact that it had to deal with so many major Powers, her foreign policy was based on bilateralism. Bilateralism, he underlined, was not the same thing as neutralism whose object was to use one against the other. Pakistan, he said, wanted to have sincere and straightforward dealings with all countries. It must keep out of the Big Power politics for the simple reason that it still had the task of national reconstruction before it.

(Pakistan High Commission,
New Delhi)

[Prev. ref. 8540:PAK:A]

ASIA OUTSIDE ASIA

A. Franc Not Devalued—Parity Maintained: The French President, Gen. Charles de Gaulle announced on November 23, 1968 that the parity of the French franc would be maintained and that there would be no devaluation.

The news came as a bombshell to a nation that had been expecting devaluation.

Earlier, the French Cabinet had met under President de Gaulle for more than 3½ hours to decide measures to cope with the franc crisis.

President de Gaulle's decision meant that he had decided to give battle to all international currencies challenging his **regime.**

In a dramatic Cabinet session, Gen. de Gaulle, facing the most challenging crisis since the Algerian war, told his Ministers, according to top Gaullist sources: "I will not give in."

Next evening (November 24, 1968), in a nation-wide broadcast, Gen. de Gaulle said that he intended to cut next year's expected Budget deficit from 11,500 million francs to 6,500 million francs. The saving would be achieved by extensive cuts in Government spending. But, he gave an undertaking that prices would remain firm and that the wage increases created in the wake of the May-June, 1968 strikes would be maintained.

He explained how he meant to back up his unexpected decision not to devalue the franc, and said that cuts would be made in subsidies to nationalized industries and in "our ambitions of the moment" in the civil, military and university spheres.

He declared: "It goes without saying that the necessary controls will have to be applied rigorously, both in the matter of exchanges and in the matter of the effective collection of all existing taxes."

He said that the French monetary crisis was the consequence of the moral, economic and social shock which shook France in the May and June, 1968 strikes.

Explaining why he had refused to devalue the franc, he said: "Such an operation would have been no remedy at all but a ruinously easy and monetary device as well as the bonus paid to those who have gambled on our decline.

"One can see the time approaching when, as a result of numerous annoying experiences, the whole world will agree to the establishment of an impartial and reasonable monetary system affording each country—as soon as it deserves it—protection from the sudden and absurd movements of speculation."

World Reactions:

President de Gaulle's decision not to devalue the franc shocked world financial circles.

World financial experts wondered how, even with the aid of new austerity measures and the newly-arranged $3 billion international credits, France could ward off the speculative assault on the franc without devaluation.

Swiss Government and banking officials expressed surprise but withheld any immediate official comment. "We shall have to wait for the speech of the General," the Director of the Swiss National Bank, Mr. Alexandre Hay, said.

President de Gaulle's decision was regarded by leading Swiss bankers as an attempt by him to "put the ball back into the Germans' court."

Common Market officials in Brussels were stunned by the French decision, but welcomed it because the EEC's farm price system would not be affected.

Financial circles in Madrid believed that France would now have to adopt a series of heavy austerity measures.

A spokesman for the Dutch Minister of Finance said that the decision would not mean the withdrawal of credits promised to France by the Group of Ten.

The Managing Director of the Norwegian Bankers' Association described the decision as "a sensation" and said: "France cannot pretend everything is all right for long." He predicted that the French Government would be forced to take drastic economy measures to maintain the parity of the franc.

A West German Government spokesman said that there would "quite certainly" be no re-valuation of the German mark despite President de Gaulle's decision not to lower the parity of the franc.

President L. B. Johnson welcomed the French decision and promised to co-operate with the French policies.

The US Treasury Secretary, Mr. Henry Fowler, said that he "heartily" approved of President de Gaulle's decision not to devalue the franc. He insisted that the dollar would not be affected by the current monetary crisis.

A Japanese Finance Ministry official said that France's decision could cause a "delicate situation" between her and the nations that had agreed on a massive loan to help the franc.

He said that "a touchy situation would arise unless France comes up with effective alternatives to devaluation."

[Japan is to contribute $50 million towards a $2,000 million loan arranged for France at the Group of Ten meeting in Bonn.]

British financial experts generally agreed that President de Gaulle's decision had aggravated the international monetary crisis.

French Austerity Measures:

Among the austerity measures to save the franc announced by the Prime Minister, Mr. Maurice Couve de Murville, in the French National Assembly on November 26, 1968 were that France's proposed nuclear test in the South Pacific in 1969 would be cancelled and credits would be reduced for the supersonic transport plane "Concorde."

He added that civilian and military projects would suffer in a cutback of the 1969 Budget deficit from 11.7 billion francs ($2.34 billion) to 6.354 billion francs ($1.27 billion).

A 4.25 per cent payroll tax would be cancelled and adjustments made in the added value tax to compensate for the loss in revenue. This is intended as an aid to exporters. The added value tax does not apply to exports. The elimination of the payroll tax will apply to all employers.

The Railways would increase freight rates by about 6.2 per cent from December 10, 1968, and gas and high-tension electricity tariffs would go up by 4.8 per cent.

Approval By Deputies:

The Chamber of Deputies approved by 391 votes to 91 on November 28, 1968 President de Gaulle's programme to take devaluationary pressure off the franc. Four members were absent.

The approval was a foregone conclusion. Gaullists and allies hold about 358 seats in the 486-seat Upper House of the Legislature. The Lower House will vote on it too but its power can be overridden by the Chamber of Deputies.

Government officials believed the new measure will bring a 1.5 to 2 per cent rise in the price of living, but estimates from businessmen and union leaders ranged from 2 to 3 per cent.

The Bill cut the Government's original 1969 Budget by between 1.33 and 5.38 billion francs, according to a statement of the Ministry of Economy and Finance.

The Budget cut included economies of between 3.17 and 3.22 billion francs ($634 to $644 million) and supplemental revenue of 2.16 billion francs ($432 million).

Franc Zone Policies To Continue:

It was announced in Paris on November 24, 1968 that the monetary policies of the member-States of the Franc Zone would continue to be closely aligned.

France, Madagascar and 12 African countries were represented at a conference which took the decision following France's decision not to devalue the franc. Two member-countries did not send delegates—Niger, and Mali (where a military **coup d'etat** occurred a week earlier).

British Law To Curb Imports:

On November 23, 1968, the British Government announced a new law to curb imports in an effort to combat the backwash of the crisis that laid low the French franc.

But the Chancellor of the Exchequer, Mr. Roy Jenkins made it clear that there was no question of devaluing the £ sterling to cope with the crisis.

New taxes were levied on liquor, cigarettes, petrol and a vast range of shop goods.

Mr. Jenkins disclosed Britain's latest moves to the House of Commons soon after arriving back from the crucial meeting in Bonn of Finance Ministers from ten nations.

The new taxes were armed at trimming back the spending power of the British public before the Christmas rush gets under way. Consumer spending had stayed stubbornly high in Britain despite a series of moves to arrest it since the £sterling was devalued a year ago.

Mr. Jenkins explained the new law to curb imports. He called it an import deposit scheme. Under this, an importer will be required to make a deposit of 50 per cent of the value of the goods he buys before Customs will let them into the country. This deposit would be repaid to the importer 180 days later.

The new law would be in force for one year. It would broadly cover all goods except basic foods, raw materials and certain categories of goods imported mainly for developing countries. The aim of the scheme would be to cut back on imports and give Britain a healthier balance of payments. The new credit restrictions would severely reduce private lending and banks would even have to bring in some outstanding loans.

He forecast that the "undoubtedly hard" measures would reduce the level of consumer spending by half per cent in 1969.

India's Reaction To British Law:

India's Commerce Secretary, Mr. K. B. Lall, said on November 23, 1968 that India would ask Britain to ensure that the "import deposit scheme" announced by her would not disrupt this country's exports to UK.

He said that Britain would definitely be asked to exempt cotton textiles, coir, carpets etc. from the provisions of the scheme.

He felt, however, that engineering goods would most probably be included in the scheme and their export from India to UK would be affected.

Britain would also be reminded of her commitment under GATT that she should protect the export trade of developing countries.

Signs Of Currencies' Recovery:

But, despite the shock, both the franc and the £ sterling showed definite signs of recovery on November 25, 1968 as pressures eased after the major monetary storm.

But dealers in most of the world's money capitals remained cautious and hesitant in early currency trading as they studied the still problematical effects of the crisis.

In Paris, centre of the storm, the franc was traded above its dollar floor in early bank-to-bank dealings for the first time in three weeks when the market opened on November 25, 1968.

Activity in the unofficial market was described by dealers as quietly cautious. Traders were apparently still digesting President de Gaulle's measures to halt the recent massive outflow of francs, including his stringent currency controls announced on November 25, 1968.

In London, foreign exchange dealers said they detected a definite improvement in the £sterling's chances of a come-back, but traders were cautious.

Trading in the £ sterling settled down at around $2.3850, a marked improvement over the position when trading was suspended on November 19, 1968. Then, the rate was $2.3825.

In Zurich, there was an across-the-board improvement in all major currencies and the franc lifted from its floor level of 4.9740 per $ for the first time in several weeks. Trading was quiet but the £ sterling improved against the dollar in the wake of Britain's latest measures.

Frankfurt saw both the franc and the £ sterling showing signs of improvement.

The franc moved up to 80.50/80.30 marks for 100 francs, following its deight-of-storm decline to 68. The £ moved up to 9.4800 from 8.3000.

West German Tax Measures:

Earlier, West Germany formally approved new tax measures on November 21, 1968 aimed at cutting her giant export surplus and helping to restore stability in international finance.

West Germany also took steps to stem the flow of speculative funds into her money market from abroad in a further attempt to restore stability to the world's monetary system.

The Federal Bank Council in Frankfurt ordered commercial banks to deposit the equivalent of foreign short-term funds they received with the Central Bank. The Central Bank would pay no interest.

Earlier, Treasury and Central Bank heads of the "Group of Ten" had met for a show-down over the future of the French franc and the German mark, with the franc dropping sharply on the German market.

The Deutsche Bank, one of the most important German banks, was offering only 73 marks for 100 francs. On November 2, 1968, it was paying 77.

French Loss In Monetary Reserves:

The Bank of France announced on November 21, 1968 that France had lost about $178 million in monetary reserves since November 14, 1968.

The fall, which came before the latest wave of speculation against the franc reached fever pitch on November 15, 1968 brought total known losses of gold and convertible currency by the Bank to about $2,852 million since the May-June, 1968 strikes. It also reduced the stockpile of France's liquid reserves to about $4,697 million.

But informed financial sources in Paris expected the explosive flight into the German mark that brought the monetary system to the brink of crisis during the past week may have cost France at least a further $500 million in reserves.

Previous Devaluations Of The Franc:

The French franc had been devalued 12 times in the last 40 years.

There were six between 1928 and the liberation of France from German occupation in 1945. Those since the liberation were:

December 26, 1945—US dollar, which had been worth 50 old francs, was pegged at 119.1.

January 26, 1948—US dollar climbed to 214,39 francs, a devaluation of about 44.45 per cent.

April 27, 1949—US dollar was pegged at 330 francs on the open market.

September 30, 1949—A devaluation of the British £ sterling forced movement of the franc to 350 per dollar.

August 10, 1957—A devaluation of 20 per cent brought the old franc to 420 for one US dollar.

December 26, 1958—A devaluation of 17.5 per cent. The franc was put at 493.7 per US dollar. By moving two decimal places, the French Government later simplified the monetary unit, creating the new francs in use today.

(**Le Monde**, Paris, **The Times**, London and **The Hindu**, Madras)

[Prev. ref. 2449:AOA:A, 8081:AOA:A]

B. ADB Plans To Borrow In European Markets: The President of the Asian Development Bank (ADB), Mr. T. Watanabe, said in Hamburg on November 26, 1968 that the Bank was planning to borrow in the European markets, particularly in West Germany, for its international financing operations.

In an address to a group of German bankers, businessmen and industrialists, he said the Bank hoped to make arrangements to have a bond issue in Germany in 1969. "The German capital market over the past several years has become a most important source of funds for international financing."

He pointed out that West Germany's capital subscription of $34 million had made it the largest European shareholder in the Bank.

He said the Bank's current funds available for lending in convertible currencies amounted to $240 million, providing a solid foundation. The Bank's loan commitments this year were expected to amount to about $50 million. He expected this volume to approximately double in 1969 and to double again in 1970. "It will not be long before the ADB is engaged in some capacity at virtually all points along the broad spectrum of investment financing."

(**The Times of India**, Bombay)

[Prev. ref. 7470:JAP:B, 7563:INI:R]

C. First Living Creatures To Fly Round The Moon: Soviet scientists revealed on November 15, 1968 that the first living creatures to fly round the Moon and back to Earth were a pair of turtles and an unspecified number of wine flies and meal worms.

Wine flies are found about wine vats and their larvae live in wine; the meal worm is the larva of a beetle abounding in granaries and flour stores.

They were all aboard the Soviet Moon-shot **Zond-5** which splashed down in the Indian Ocean on September 21, 1968 after a week's flight. They arrived back in a Soviet laboratory in good condition.

As they returned to Earth, the turtles moved around their container a lot and had good appetite.

(**Pravda** and **The Times of India**, Bombay)

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CHINA

A. Anti-Mao Movement In Tibet Suppressed—Tass Claim: According to the Soviet news agency Tass on December 1, 1968, a new anti-Mao movement had been suppressed in Tibet.

More than 100 persons had been arrested including Mr. Chou Jen shan and Mr. Wan Chi-mei, former secretaries of the Communist Party Central Committee of the Tibetan autonomous district.

Tass said that leaflets posted in Peking by the Tibetan military command on "the pacification of unrest in Tibet" reported that "a new movement directed against the headquarters headed by Chairman Mao and his deputy Lin Piao" had been suppressed in Tibet.

Foreign Press reports had earlier reported bloody clashes in Tibet and an attack by armed detachments on the Tibet "Revolutionary Committee" in Lhasa, formed three months earlier. The local Tibetan population had supported the anti-Mao rebels.

Tass added: "The Maoist propaganda is now trying to prove that from the very outset, Liu Shao-chi and his followers were agents of imperialism and Chiang Kai-shek. But it is quite a task to make communists and the Chinese people believe this, because for many years the same Press had invariably named Liu Shao-chi as the closest associate of Mao.

"Now Mao's old speech is being used to falsify the history of the Chinese Communist Party, portraying it as the history of struggle between two lines—that of Mao Tsetung and Liu Shao-chi."

(**The Hindustan Times**, New Delhi and **Tass**)

[Prev. ref. 8408:CHI:A, 8549:CHI:B]

INDIA

SUMMARY: ACCI Annual Session; Mr. Morarji Desai Rules Out Devaluation; ABU Conference; US Tanks To Pakistan; Loan Drawings From IDA; Foreign Debt.

A. Associated Chambers' Annual Meeting—Mr. Morarji Desai On Rural Incomes & Economic Prospects: Addressing the annual meeting of the Associated Chambers of Commerce and Industry (ACCI) in Calcutta on December 14, 1968, the Deputy Prime Minister and Finance Minister, Mr. Morarji Desai indicated the possibility of State Governments taxing the higher rural incomes. This, he said, could be done through agricultural income-tax or as surcharge on land revenue.

He said that the States might find it desirable to resort to such taxes to invest in different spheres. It was for each State to decide, in consultation with the Planning Commission, how far it could go in the "direction" of taxing the higher rural incomes. As far as the Government of India was concerned, it had told the States how much Central assistance could be provided for the Fourth Five-Year Plan. In each State, a balance had to be struck between the size of the Plan and the extent of mobilization of additional resources.

He mentioned, among other points, the process of "recovery and revival on the economic front, the need to dispense with concessional imports of grain as soon as possible, the policy of giving special consideration to industrial units playing an important part in the export drive, the "large and significant" role of foreign investment and the importance of the International Development Association (IDA) as a source of finance.

He also referred to the need to ensure adequate supplies of credit to farmers, problems arising from the gap between procurement prices and the prices of foodgrains realized from consumers, the necessity of increasing the yield per acre of jute, cotton and oilseeds, the problems of monopoly and concentration of economic power and the need to improve tax administration and measures to tackle evasion.

Mr. Desai began his speech by referring to the "decisive turn towards higher productivity", reasonable stability of prices and the relief, at least for the time being, from the anxiety in regard to foreign exchange. An expected increase in industrial production of five to six per cent this year, he said, was among the signs of gradual improvement in industrial activity.

He mentioned that procurement prices had been maintained at last year's "high levels" to assure the farmer an adequate return from inputs in land. The Government had, however, been incurring a substantial loss because of keeping procurement prices high and supplying grain to consumers at comparatively low rates. While the losses had so far been met by making profits on the import and sale of foreign wheat, this source of finance would disappear as dependence on imports decreased. The choices were to pay the farmers less, to charge consumers more or to subsidize the transactions. A balance had to be struck.

On the importance of holding the price line, he said that economic policies had to be so designed as to ensure that growth was accompanied by stability. The recent increase in the dearness allowance of Government servants reflected the effects of past inflation. If prices were to be stable, higher incomes must be matched by improvement in efficiency.

He envisaged that foreign investment would continue in view of the expected industrial expansion. "Our welcome to foreign investment has necessarily to be selective." The Government had listed industries in which foreign investment was specially desired.

Mr. N. M. Wagle's Speech:

In his Presidential address, the President of the Chambers, Mr. N. M. Wagle emphasized the possible contribution to industrial revival of agriculture, which had already generated substantial purchasing power in the rural sector.

He mentioned the "welcome features" of the Planning Commission's paper on the approach to the Fourth Plan, the necessity of a "new look at the level of direct taxes," the "much better" labour relations during the year and the need for "satisfactory cleaning out of the mass of regulations that clogs export performance."

He was convinced of the need for some reduction in direct taxes from their "present very high level."

While welcoming Mr. S. Boothalingam's recommendations on the tax structure (see page 7756) he expressed doubts about the efficiency of the proposed capital tax and general excise. At a time of recession when several industries were not running at a profit, a new burden such as the proposed capital levy would have a very depressing effect. The proposal for a general excise would have its full support if it were to replace other parallel levies, such as the sales tax and octroi. "But if these other levies cannot be eliminated, to superimpose a general excise would inflate costs for industries which already are finding it difficult to market their products."

The time had come, he said, for an inspired lead towards the more constructive policy of mutual trust and co-operation between the Government and industry, and nowhere was this needed more than in the field of exports.

Explaining how agricultural development generated purchasing power in villages and thus helped industrial progress, he disclosed that the Chambers had sponsored a survey to find out more about the buying habits of the rural population to study the physical problems of distribution at the village level and to ascertain the most effective marketing techniques. The survey would cover one taluka each in West Bengal and Maharashtra.

He suggested that the Fourth Plan be resource-based rather than need-based.

Referring to the import of "know-how", he said that "know-how" in industrial production was not simply a question of disclosing a formula or handing over blueprints. A technical collaborator sold his experience as well as his technique and a good collaborator helped achieve the most efficient and economical production in the shortest time possible. By all means, India should eliminate the purchase of repetitive "know-how" which was unnecessary or wasteful, but it would be false economy to shut out "know how" which might help make industry competent at home and competitive abroad.

Resolutions:

On December 16, 1968, the ACCI adopted a number of resolutions relating, among other things, to industry, taxation, transport planning and the resources for the Fourth Five-Year Plan.

In its resolution on industry, the Chambers appreciated the liberal attitudes that had characterized the Government's industrial policy during the last few years, but emphasized the need for more liberalization and adoption of more positive measures of assistance if industry was geared up to make its maximum contribution to the country's economic growth.

A special effort, it said, was needed to restore the fortunes of the large traditional industries—including cotton and jute textiles, tea, coal mining, vanaspati and sugar—which for many years had suffered from neglect while resources had been concentrated on the development of the newer technologies. The traditional industries were the biggest employers of labour in the country. This accounted for more than 75 per cent of India's export earnings, yet the only time when they received assistance from the Government was when they were on the verge of collapse.

The resolution on taxation stated that for several years the Associated Chambers had been advocating a rationalized and stable tax structure which would provide industry with the incentives and the capital market with the stimulus necessary to revive the country's economy. With the recent upsurge in agricultural production, the time would now seem ripe for new fiscal initiatives designed to achieve this objective. The Chambers accordingly urged the acceptance, in principle, of the Boothalingam recommendations in the confident belief that any temporary reduction in revenue receipts would be amply compensated by a rise in national savings, higher productivity and the resultant buoyancy in the revenues.

In the implementation of the Boothalingam proposals it was important, the resolution said, that taxes which hampered industrial development, such as the taxation of inter-corporate dividends, should be abolished.

The resolution on transport planning suggested that a major effort should be mounted to renovate and improve all forms of transport. Facilities at the country's major ports were inadequate and detrimental to the interests of importers and exporters. In Railways, serious wagon shortages still occurred with disappointing frequency. This was evidence of a need for the doubling of track facilities in selected areas and for considerably improved planning and operational control.

Regarding roads, it said that a determined campaign for the expansion of trunk and secondary roads must be implemented to meet the needs of rural markets and artificial obstacles to inter-State road transport removed.

The resolution on rural marketing said that the shift in national income from the urban to the rural sector and the net increase in income arising from greater agricultural production called for a major marketing effort designed to bring consumer goods within reach of the rural population.

The resolution on power supplies and tariffs stated that generating and distributing capacity should keep ahead of the demand for power and that regional imbalances should be eliminated as far as possibly by integrating the measures of rationalization or automation which were designed to improve efficiency and increase prosperity, thus ultimately expanding employment potential.

(**The Statesman,** Calcutta

[Prev. ref. 7756:INI:H, 8113:INI:N

B. Devaluation Ruled Out: The Deputy Prime Minister, Mr. Morarji Desai on November 25, 196 firmly ruled out any possibility of devaluation of the rupee, stating that "there is no question of any change in the external value of the Indian rupee".

In a statement to Parliament on the monetary crisis in Western Europe, he welcomed the measures taken by the Western Powers to strengthen the international system and these, he thought, would be to India's advantage both as regards foreign aid and foreign trade.

He did not think that the recent speculative measures would have any significant impact on the Indian economy. "As far as our exporters are concerned, the forward cover facilities hitherto provided against genuine transactions will continue to be available".

But he urged the countries concerned to make sure that any measures they took did not operate in a manner that would affect exports from India. He noted that Britain had exempted some products of interest to this country from import deposit requirements, but cotton textiles would be subject to the scheme and he feared exports of these items would be affected.

(**The Statesman,** New Delhi

[Prev. ref. 7653:INI:Q]

C. Asian Broadcasting Union-General Assembly Session: Inaugurating the plenary session of the fifth general assembly of the Asian Broadcasting Union in New Delhi on November 20, 1968, the Vice-President, Mr. V. V. Giri, exhorted representatives of national and international broadcasting organizations to utilize broadcasting for eradicating hunger, over-population and illiteracy from the Asian region.

He said that radio and TV were potent instruments for the solution of urgent and basic problems which could not be solved by traditional methods. "Broadcasting which is indeed an effective instrument in promoting unity of mankind, should be fully utilized not only to further the cause of internationalism, but equally to solve some of the immediate problems which beset us".

Session Ends:

The general assembly was attended by 71 delegates from 36 member-organizations and by 10 observers representing the UN, UNESCO, FAO, ECAFE, WHO and universities in New Delhi and Ontario.

Formation of an Asian radio and TV news agency for giving wider coverage of events in the Asian region was not found feasible by the general assembly, which ended its meeting in New Delhi on November 23, 1968.

Talking to newsmen after the conference, Sir Charles Moses, ABU Secretary-General, said that a separate radio and TV news agency would be a very expensive project and was beyond the capacity of ABU. He, however, said that ABU had decided to initiate discussions with Eurovision and Intervision with a view to arranging programme exchanges with the countries of Western and Eastern Europe respectively through Intelsat system.

ABU would also try to strengthen training programmes for broadcasters and telecasters. It would work with UNESCO and ITU to expedite the establishment of a broadcasting training institute for Asia at Kuala Lumpur.

Space communication also attracted attention of the members. A resolution was passed asking members to ensure that TV transmissions via satellites were fully protected against unauthorized recording, re-broadcasting and public use. It also sought to promote international arrangements to safeguard "broadcast" satellites from unauthorized use or interference. ABU would collaborate with EBU and other broadcasting unions in these matters.

The conference decided that the next General Assembly should be held in Wellington, New Zealand, in October, 1969.

Prizes For 1968:

All-India Radio won two Asian Broadcasting Union (ABU) prizes for 1968—one for rural programmes and the other for TV documentaries produced on a low budget.

The third prize for the year for TV documentaries went to West Germany. The prizes were:

All-India Radio—ABU radio prize for rural programme: $1,000 (Rs. 7,500) and a trophy.

All-India Radio—Special television prize for TV documentaries produced on a low budget: $500 (Rs. 3,750) and a trophy.

West Germany—ABU television prize for TV documentaries: $1,000 and a trophy.

(**The Hindustan Times** and **The Times of India**, New Delhi)

[Prev. ref. 4327:MAL:B, 5538:KRS: B]

D. US Supply Of Tanks To Pakistan Through Turkey—Indian Concern: India's concern at the reported decision to supply Pakistan with 100 M-47 tanks through Turkey was made known to the US and Turkish Embassies in New Delhi on November 19, 1968.

Turkey's armour would be replaced by an equal number of the latest M-48 tanks.

The American and Turkish Ambassadors were told by the Foreign Secretary, Mr. T. N. Kaul, that the reported supply of the tanks would upset the military balance in the sub-continent.

Pakistan had actually sought 200 tanks. The arrangement to give 100 tanks to Pakistan circumvented the self-imposed American restriction on the supply of lethal weapons to the Indo-Pakistan area which had been effective since September, 1965. The US freeze left a loophole through third countries. Turkey was the third country through whose agency Pakistan's armour was being refurbished.

An authoritative source in New Delhi pointed out that Pakistan's armed forces were nearly half the size of India's though Pakistan was about a fifth of the size of India both in population and area. Moreover, Pakistan's armour was already comparable to that of India and, with the additional M-47 tanks, was expected to be superior to India's armoured strength.

Turkish Denial:

On November 18, 1968, a Turkish Foreign Ministry spokesman denied a foreign Press report that Turkey had agreed to sell 200 American-supplied M-47 Patton tanks to Pakistan.

The spokesman said the Turkish Government had not yet taken any action in the matter.

Earlier, the **Washington Post** reported that Pakistan would get the tanks from Turkey, which would receive American help in offsetting part of the costs of buying new M-48 Patton tanks from USA.

Statement In Rajya Sabha:

The Defence Minister, Sardar Swaran Singh, told the Rajya Sabha on November 21, 1968 that the Government of India had made it quite plain to countries supplying military equipment to Pakistan that any addition to Pakistan's armed strength would add to tensions in the area and make Islamabad more bellicose and intransigent in its relations with India.

He disclosed that "an agreement had been reached in principle that Turkey would give 100 Patton tanks to Pakistan in exchange for more modern tanks from the United States." "It has been pointed out to the countries concerned that such a deal has grave implications both in regard to our own defence responsibilities and to the objective of maintenance of peace in the sub-continent. It has also been pointed out to them that these military supplies would make Pakistan more intransigent in its attitude towards normalization of relations with India."

A member asked whether Sardar Swaran Singh had taken up with the Soviet Government during his recent visit to Moscow the problem of Soviet arms supplies to Pakistan. He also asked whether it was a fact that arms from NATO countries were not permitted to be supplied to non-NATO nations without the permission of Washington.

Sardar Swaran Singh said that it was a fact that NATO arms could not be supplied to non-NATO countries without authorisation by USA. This was not being denied by Washington. Secondly, after the Indo-Pakistan conflict of September, 1965, the United States had enunciated "a new policy that no new weapons would be supplied to India or Pakistan, but that the question would be considered on a case-to-case basis." The "deal" with Pakistan came within this category.

Gilgit-Skardu Road Constructed By Pakistan:

Sardar Swaran Singh stated in the Rajya Sabha that Pakistan had constructed a 155-mile road linking Gilgit and Skardu in Pakistan-occupied Kashmir. The road was opened to traffic in September, 1968.

He added: "The construction of this road in our territory illegally occupied by Pakistan further affects our security. The Government has already taken due note of these aspects, lodged protests with

Pakistan and has taken appropriate measures."

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 8318:AOA:F, 8468:INI:A]

E. Pakistan Sabotage Ring Smashed In Kashmir: The Chief Minister of Jammu and Kashmir, Mr. G. M. Sadiq disclosed in Srinagar on November 16, 1968 that the police had smashed a "Pakistani sabotage ring" which had wide ramifications in the State. About two dozen people, including some students and the editor of an Urdu weekly, had been taken into custody.

He said that country-made bombs and documents had also been seized from the arrested people. The seized documents threw considerable light on the activities of this ring and its designs to commit sabotage, disorder and disturbances similar to those attempted in 1966.

The arrest of some people following a raid on Islamia College last June had led on the information about the existence of the ring. No Chinese hand had been detected in the ring.

(The Statesman, New Delhi)

[Prev. ref. 8493:INI:C]

F. Scientific Co-operation With Poland: India and Poland signed in New Delhi on November 27, 1968 an Agreement under which both countries will embark on a programme of scientific co-operation for the next two years.

The Agreement was part of a protocol for scientific co-operation agreed to by both countries in 1966.

The Polish Government agreed to make available to India experimental results in the fields of corrosion protection for metallic products, coatings for protecting machines and installations, technology of protective electrolytics, paint, polymer and sprayed metal coatings. Poland will train up to four specialists for five to eight months for these projects.

India will make available to Poland research results in the fields of protective and decorative coatings, certain electrochemical processes, application of vegetable oil for the production of paint resins, and raw material substitutes for producing rust-proof paints. For these projects, India will train two Polish specialists for nine months.

The two countries will exchange knowledge of investigation on catalysts for a number of organic synthetic processes. They will also exchange experts in formed coke, coal carbonization and coal preparation.

(The Times of India, New Delhi)

[Prev. ref. 8160:INI:H]

G. Self-sufficiency In Defence Production: The Defence Minister, Sardar Swaran Singh, made a statement in the Rajya Sabha on November 21, 1968 on the present position regarding self-sufficiency in the production of various types of defence equipment.

The following are the main points he made:

Arms and Ammunition: "We are now self-sufficient as far as small arms and their ammunition are concerned. We are also self-sufficient in light artillery weapons and ammunition. For medium artillery weapons and ammunition (which are replacing our traditional weapons and ammunition in this range), capacity is being established."

Vehicles and Engineer Stores: "Production of tanks at the heavy vehicles factory has reached a satisfactory level. The capacity for production of the 3-tonne and 1-tonne motor vehicles will be increased when the new factory being established at Jabalpur will go into production. There is sufficient capacity in the country for production of trailers, generating sets, compressors and their prime-movers."

Electronic Equipment: "Communications equipment of various types is being produced under licence as well as by indigenous development, in Bharat Electronics, Hindustan Aeronautics, Indian Telephone Industries and Hindustan Teleprinters and also in the private sector."

Aircraft: "Currently, the Gnat, Krishak, HJT-16 trainer, MIG-21, and HF-24 aircraft as also Alouette helicopters are being manufactured, though in some cases the level of production is not quite satisfactory. In addition HS-748 aircraft is under production at Kanpur."

Ship-building and Ship Repairs: "Sufficient repair capacity is available in the country. Capacity for making new ships is being enhanced by the expansion of facilities at Mazagon Docks and Garden Reach Workshops. The first Leander class frigate has recently been launched and is at present fitted out. Manufacture of smaller vessels, such as minesweeps seaward defence boats and other vessels like dredgers, tugs etc is already in hand."

(The Times of India, New Delhi)

[Prev. ref. 8281:INI:D]

H. Loan Drawings From IDA: The Deputy Prime Minister and Finance Minister, Mr. Morarji Desai, disclosed in the Rajya Sabha on November 19, 1968 that India had drawn till March 31, 1968 a total of Rs. 418.02 crores out of the loans aggregating to Rs. 458.25 crores given by the International Development Association (IDA) in the five years ending 1967-68.

There was no IDA loan in 1967-68, but there was utilization of loans of earlier years.

The first repayment in respect of IDA loans, which have a grace period of ten years and are repayable over the following 40 years, will become due in 1972-73.

IDA had given Rs. 154.50 crores as project loans and Rs. 303.75 crores as non-project loans. The amounts drawn against these were Rs. 131.49 crores and Rs. 286.53 crores respectively. The balance to be drawn from IDA loans as on April 1, 1968 was Rs. 40.23 crores (Rs. 23.01 crores of project and Rs. 17.22 crores of non-project loans).

At the end of 1967-68, out of foreign project loans signed of a total value of Rs. 1,739.63 crores, orders had been placed to cover 66 per cent (Rs. 1,156 crores) and actual utilization with completion of imports was Rs. 845.53 crores.

In the case of non-project loan agreements for Rs. 2,271.44 crores, orders placed worked out to 91 per cent (Rs. 2,060 crores) and drawal was 82 per cent (Rs. 1,869 crores).

(The Statesman, New Delhi)

[Prev. ref. 7496:INI:E, 8621:INI:G]

I. Foreign Investment Board: The Foreign Investment Board, established on December 1, 1968, will deal with all cases where the total investment in equity capital of an Indian company does not exceed Rs. 2 crores and the foreign investment is up to 40 per cent of the issued equity capital.

Cases of total investment in equity capital in an Indian company including foreign investment exceeding Rs. 2 crores and cases involving more than 40 per cent foreign equity investment in new or existing Indian companies will require clearance of the Central Cabinet Committee on foreign collaboration.

A Press Note issued by the Ministry of Industrial Development outlined functions of the Foreign Investment Board and said a revised procedure had been worked out to keep to the schedule of three months for disposing of applications for foreign investment.

(The Hindu, Madras)

[Prev. ref. 8474:INI:N]

J. **Foreign Debt:** The Deputy Prime Minister and Finance Minister, Mr. Morarji Desai, stated in the Lok Sabha on November 25, 1968 that India's total outstanding foreign debt at the end of the first half of this year amounted to Rs. 5,666.51 crores.

This consisted of Rs. 3,661.40 crores repayable in foreign currency, Rs. 470.77 crores repayable through exports of goods and Rs. 1,534.34 crores in rupee loans—all repayable on Government account.

The principal repaid so far in foreign currency amounted to Rs. 606.97 crores, and interest Rs. 446.62 crores. Repayment of loans (principal) through export of goods amounted to Rs. 163.77 crores and interest Rs. 47.05 crores. The repayment of rupee loans (principal) amounted to Rs. 127.64 crores and interest Rs. 169.23 crores.

Mr. Desai said that these figures were in terms of the present par value of the rupee, irrespective of the exchange rate on the date of actual drawal or repayment except in the case of interest where the figures represented the amounts actually paid from time to time.

While the repayments of principal were made in accordance with the repayment schedules applicable to each loan agreement, the amount of interest payable on loans was calculated from year to year on the basis of the interest rate applicable to the loan and in relation to the drawals of the loans and the repayments falling due. The annual expenditure incurred by the Government for servicing the foreign debts would, therefore, differ from year to year.

Expenditure to be incurred by the Government on this account during 1968-69 and 1969-70 had been estimated as:

(In crores of rupees)

	1968-69	**1969-70**
Principal	186.40	210.85
Interest	148.93	161.88

Repayment schedules were worked out for all loans on the basis of the period of repayment and the rate of interest agreed to in each loan. The period of repayment varied from less than 10 years to 50 years and included grace periods extending from two to 10 years. The last of the repayments on debt outstanding on June 30, 1968 would be due in 2018. For the years 1966-67, 1967-68 and 1968-69, India got debt relief from Consortium countries amounting to $34.39 million, $63.19 million and $100.64 million, respectively.

The largest demand of loans repayable in foreign currency was Rs. 1,524.20 crores to USA. The debt creditors in order were IDA with Rs. 636.90 crores; the UK with Rs. 465.59 crores; West Germany with Rs. 397.22 crores; the World Bank Rs. 255.83 crores; and Japan Rs. 217.95 crores. The debts due to other creditors varied from Rs. 1.46 crores to Italy and Rs. 47.92 crores to Canada.

The biggest creditor to whom loans were repayable through export of goods was USSR (Rs. 386.77 crores). Next came Czechoslovakia with Rs. 44.08 crores, Yugoslavia with Rs. 22.63 crores and Poland with Rs. 17.29 crores.

Rupee loans repayable consisted of Rs. 1,226.52 crores (PL 480 loans) and Rs. 306.94 crores (excluding PL 480 loans) due to USA. An amount of Rs. 88,00,000 was due to Denmark.

(The Times of India, New Delhi)

[Prev. ref. 8339:INI:E]

K. **Mr. B. R. Bhagat On Chinese Embassy Letters To Kerala Marxist Leaders:** The Minister of State for External Affairs, Mr. B. R. Bhagat told the Lok Sabha on December 9, 1968 that the Government would take all necessary steps to isolate and eliminate subversive Communist extremist elements in Kerala and other parts of the country.

He said that the Chinese **Charge d'Affaires** was summoned to the External Affairs Ministry to explain his position regarding the alleged letters found in possession of Mao-Communists in Kerala (see page 8685)). "Curiously he neither confirmed nor denied it." "It is an accepted principle of diplomatic relations that diplomatic representatives do not interfere in the internal affairs of the country to which they are accredited."

Mr. Morarji Desai On Kerala Stir:

Addressing a public meeting in Calcutta on December 15, 1968, the Deputy Prime Minister, Mr. Morarji Desai expressed concern at the activities of Mao-Communists in Kerala and said that if the State Government did not take effective steps to control them, the Central Government would have to intervene.

He said that the Government of India was closely watching Kerala developments and would seriously consider the situation if it deteriorated before taking action.

He criticized the "extra-territorial loyalty" of the Communists and said that parties which had no loyalty to the country could not do any good to it. "The CPI owes its allegiance to Russia while the Marxist Communist Party looks towards China. China first made friends with India and then stabbed her in the back by committing aggression and grabbing a portion of Indian territory. When the people rose as one man, they beat a retreat. How can the people accept a party having friendship with China"?

He asked the people to discard the Marxists who, he said, had joined hands with an enemy country and acted at its beck and call. If the Marxists did not like India, they were free to migrate to China.

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 8685:INI:E]

L. **Cease-fire In Nagaland Extended:** The cease-fire in Nagaland, which ended at midnight on November 30, 1968, was extended by another month.

The Governor, Mr. B. K. Nehru, did not commit himself to Dr. Aram, convener of the truce observation team, on the point of extending the cessation of operations when the latter had met him earlier. Official circles feel that the term "cease-fire" had lost its meaning in the present context and the plea for its extension made by Mr. Chumbemo Murry, on behalf of the Phizo faction of the underground, was intended only to bolster up the vanity of that faction.

(The Statesman, Calcutta)

[Prev. ref. 8580:INI:B]

M. **Working Of IOC During 1967-68:** The Indian Oil Corporation Ltd. (IOC) has reported a highly successful year of working in 1967-68 in the fields of refining, pipeline operation and marketing.

The profitability recorded a further improvement, enabling the payment of an enhanced dividend of 7 per cent. It also made a significant entry in the export market.

The through-put in the refineries improved to 4.36 million tonnes against 3.27 million tonnes in 1966-67 and that in the pipelines rose to 1.37 million tonnes (75,000 tonnes), while sales shot up to 6.46 million kilolitres (4.89 million kilolitres). In terms of rupees, turnover in 1967-68 totalled Rs. 430.68 crores against Rs. 338.35 crores in the previous year. The profit before depreciation and interest improved to Rs. 22.33 crores (Rs. 16.21 crores) and the profit after depreciation and interest was Rs. 10.83 crores (Rs. 6.28 crores). A sum of Rs. 3 crores has been set aside to development rebate reserve, against nothing previously. The total duties paid was Rs. 156.57 crores (Rs. 149.83 crores). The latest dividend is 7 per cent against 6 per cent paid for 1966-67.

The Gauhati refinery processed 811.718 tonnes of crude oil as against the target of 750,000 tonnes. This was the highest through-put achieved in any year at this refinery. The production of finished products amounted to 739,739 tonnes and despatches were 740,799 tonnes.

The Barauni refinery processed 1,629,625 tonnes of crude oil as compared to the target of 1,600,000 tonnes during the year.

The Gujarat refinery processed 1,918,293 tonnes of crude oil and also utilized 5,130 tonnes of furnace oil received from Bombay for LDO blending as against the target of 1,800,000 tonnes of crude oil. Finished products totalling 1,730,113 tonnes were produced and 1,742,631 tonnes were despatched from the refinery.

The Corporation's export earnings amounted to over Rs. 5 crores.

(**The Statesman,** New Delhi)

[Prev. ref. 8422:INI:G]

N. **Utilization Of Krishna River Waters By Maharashtra—Andhra Pradesh's Protest To Centre:** The Governor of Andhra Pradesh, Mr. Khandubhai Desai, said in an address to a joint session of the State Legislature in Hyderabad on November 23, 1968 that the State Government had "strongly protested" to the Central Government against the clearance of certain schemes of the Maharashtra Government involving the utilization of Krishna River waters in excess of its share.

He said the State Government had urged the Centre not to allow schemes involving utilization of waters in excess of the allocation under the 1951 Agreement. "As Hon'ble members may be aware, our Government have moved the Government of India to constitute a tribunal under the Inter-State Waters Disputes Act for declaring the validity and binding nature of the 1951 Agreement and restraining the States of Maharashtra and Mysore from utilizing Krishna waters in excess of their share or otherwise contravening the provisions of the Agreement."

He added: "It is unfortunate that even after we have so moved the Government of India they should have cleared certain schemes of the Maharashtra Government involving utilization of Krishna waters in excess of their share. The State Government has strongly protested to the Government of India that no scheme involving utilization of waters in excess of the allocations under the 1951 Agreement should be allowed."

(**The Hindu,** Madras)

[Prev. ref. 6272:INI:Q]

O. **Koyna Dam To Become Earthquake-Proof — Committee's Recommendation:** An expert committee appointed in December, 1967 to study the effects of earthquakes on the Koyna Dam has recommended the permanent strengthening of the Koyna Dam to withstand intense earthquakes of the type experienced in 1967.

The committee expressed the view that the reservoir was not responsible for the two major shocks of September and December, 1967. It also disagreed with the earlier assumption that the western margin of the peninsula was seismically stable.

The report said that tentative repair work on the Dam should be carried out as early as possible, taking into account the possibility of seismic intensity as large as the December earthquake. "The design of any permanent repair work of the Dam should take into consideration future earthquakes, the intensity of which may be as large as the December 11 earthquake."

"Till the strengthening work is completed, water level of the reservoir should be kept as low as possible and practicable."

About reconstruction work, the report said: "It is desirable that earthquake-resistant construction be adopted as far as possible." It suggested "long-term co-ordinate research" to understand further the crustal behaviour in western India.

(**The Times of India,** New Delhi)

[Prev. ref. 8147:INI:P]

P. **Harbour Development In Laccadive, Minicoy And Amindive Islands:** It was made known in New Delhi on November 22, 1968 that the Central Government had approved a scheme for the development of harbour and navigational facilities in Laccadive, Minicoy and Amindive islands at a cost of Rs. 1 crore.

Under the scheme, jetties and beacons would be constructed and buoys provided in the islands of Kavaratti, Minicoy and Amini.

(**The Statesman,** New Delhi)

[Prev. ref. 8050:INI:M, 8375:INI:Q]

Q. **Corruption Charges Against Dr. M. Chenna Reddy—Supreme Court Verdict:** The Supreme Court dismissed on November 26, 1968 an appeal filed by Dr. M. Chenna Reddy, former Central Minister for Steel, against the judgment of the Andhra Pradesh High Court setting aside his election to the Andhra Pradesh Legislative Assembly in the last General Election on the ground of certain corrupt practices.

The Chief Justice, Mr. M. Hidayatullah, pronounced the formal orders dismissing the appeal and said reasons for the verdict would be given later. Mr. Justice Mitter was the other judge on the Bench.

The consequence of this judgment is that Dr. Chenna Reddy who was elected to the Rajya Sabha in March, 1968 (prior to the High Court judgment) has incurred disqualification from continuing as a member of the Rajya Sabha. Also, according to the relevant constitutional provisions and the Representation of People Act, if the election of a returned candidate is set aside on the ground of corrupt practices, he is debarred from being a member or seeking membership of any legislature for a period of six years.

Dr. Reddy, on his request, had been permitted by the Supreme Court by virtue of **interim** orders passed by the Court in May, 1968 to attend the Rajya Sabha but without taking part in its proceedings or drawing any salary and allowances, till the disposal of his appeal.

[Dr. Reddy was a member of the Andhra Pradesh Cabinet and later taken into the Central Cabinet. His election to the State Assembly was challenged by Mr. V. Ramachandra Rao through an election petition filed in the State High Court on the ground of commission of about 30 corrupt practices in relation to the election. The High Court held that allegations of certain (about 14) corrupt practices had been proved and, set aside his election. Hence Dr. Reddy filed the present appeal in the Supeme Court.]

(**The Hindu,** Madras)

[Prev. ref. 8339:INI:G]

R. **Kerala Revocation Of Disciplinary Action Against State Employees:** On December 7, 1968, the Kerala Government either revoked or relaxed all disciplinary actions taken against the State Government employees since January 1, 1957 for political activities.

This decision was taken because the State Government found that all the actions taken in the past were discriminatory and only against persons alleged to have worked for "certain political parties."

Some of the charges on which action was taken against the State employees were subversive activities, anti-national remarks and doubtful political leanings.

The employees who were either dismissed or removed or compulsorily retired from service for political activities, according to the order, woud be deemed to have been in service, but they would not be eligible for full pay and allowances for the period of service lost by disciplinary action. They would, however, be paid 80 per cent of their pay and full allowances excluding subsistance or other allowances already paid to them for the period.

The re-instated employees would be given exemption for two years for qualifying themselves for promotion and increment in pay.

Dismissed employees who had passed the retirement age would not be taken back, but they would be eligible for all other concessions offered to the dismissed employees.

The names of more than 40 persons had been announced who would benefit from the decision.

(**The Hindu**, Madras)

[Prev. ref. 8615:INI:B, 8674:INI:F]

S. **Differences In CPI Over Soviet Intervention In Czechoslovakia:** The General Secretary of the CPI(R), Mr. Rajeshwar Rao conceded in Gauhati on December 4, 1968 that there were differences in his party over the Russian intervention in Czechoslovakia. But they were of minor nature.

He said: "We are united in our view that when socialism is in danger it has to be saved, even by military intervention if necessary. We make no bones about it. The differences were over whether the situation in Czechoslovakia warranted military intervention. An overwhelming majority agreed that such a situation existed."

(**The Statesman**, Calcutta)

[Prev. ref. 8574:AOA:A, 8606:INI:I]

T. **Disqualification Ordinance In Haryana:** The Haryana Governor, Mr. B. N. Chakravarty promulgated on November 23, 1968 an Ordinance providing that offices of profit would not disqualify a Minister, Minister of State or Deputy Minister from being a member of the State Legislature.

The Ordinance, which came into force with immediate effect, amended the Punjab State Legislature (Prevention of Disqualification) Act of 1952.

It declared that "any office held by a Minister, Minister of State or Deputy Minister for the State of Haryana, whether **ex-officio** or by name, insofar as it is an office of profit under the Government of India, the State of Haryana or any other State, shall not disqualify the holder thereof for being chosen as, or for being, a member of the Haryana State Legislature."

(**The Hindustan Times**, New Delhi)

U. **Expansion Of Rajasthan Cabinet:** On November 22, 1968, Mr. Shiv Charan Mathur was sworn-in as a Cabinet Minister and Mr. Gurdeep Singh as Deputy Minister in the Rajasthan Cabinet.

This raised the strength of the State Ministry to 37.

Mr. Mathur, formerly the State Education Minister, had resigned a few months earlier following certain charges levelled against him by the Opposition in the Legislature in connexion with a land deal made by him.

With the appointment of Mr. Gurdeep Singh as Deputy Minister, the State Ministry has representation for the Sikh community for the first time.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8517:INI:F]

V. **Congress Dissidents Form New Party In UP:** As a protest against the Central Election Committee's approval of most of the Congress candidates recommended by the UP election committee, a group of dissidents decided to form a new party in New Delhi on December 4, 1968.

At a convention attended by about 150 dissidents, it was decided to name the new party as the "Socialist Congress of Uttar Pradesh." It will set up candidates to oppose the official Congress nominees in the mid-term election to the State Assembly. In fact, 12 candidates were selected on the spot.

Prof. Shibban Lal Saksena, who was elected President of the parallel Congress, had twice postponed the decision to revolt against the Congress in the hope that the Central Election Committee would drastically change the UP list submitted by Mr. C. B. Gupta and Mr. Kamlapati Tripathi in the light of the objections raised.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8423:INI:K]

W. **Fifth Communist Party Formed In Andhra Pradesh:** A fifth Communist Party emerged in Vijayawada (Andhra Pradesh) on November 29, 1968 with the formation of an 11-member organizing committee by Mr. K. Rajagopala Rao, recently expelled editor of the Communist daily **Visal Andhra.**

Mr. Rao, a former leader of the CPI, said that the new party with a broad democratic socialist ideology would attempt to forge unity with like-minded parties and individuals in the service of the people.

The other Communist parties or groups functioning in Vijayawada are: CPI, CPI(M), Revolutionary Communists and Communist group under the leadership of Mr. T. Potharaju, expelled from the CPI (M).

(**The Hindu**, Madras)

[Prev. ref. 8628:INI:L]

X. **Foreign Transmitters Seized In Secunderabad:** Two foreign-made transmitters with a 50-mile transmitting range, were seized along with accessories in a joint raid conducted by the Andhra Pradesh CID and postal authorities in Secunderabad on December 1, 1968. Three persons were arrested in this connexion.

According to the police, the transmitters were bought by someone in the Regional Research Laboratory auction for Rs. 1,500 and was in turn sold to three bankers for Rs. 3,000. The State LIC along with the postal authorities raided the banking firm and seized the two transmitters, two receivers and other accessories.

(**The Times of India**, Bombay)

Y. **Central Loan To Gujarat Newspapers:** The Central Minister for Information and Broadcasting, Mr. K. K. Shah, announced in the Rajya Sabha on November 11, 1968 that the Centre had decided to give a loan of Rs.

25,00,000 to **Janasatta** and **Loksatta** group of newspapers of Gujarat to prevent their acquisition by a certain groups of newspapers (**Indian Express**).

The loan was being given at an interest of 6 per cent subject to reasonable safeguards which would be worked out. The loan would be repayable in 15 annual instalments, the first instalment falling after two years.

He said the papers had agreed to convert themselves into a public trust.

Indian Express Denial Of Take-over:

Mr. Ramnath Goenka, Chairman of the **Express** group of newspapers, in a statement denied that he was taking over the **Janasatta** and **Loksatta** group of newspapers in Gujarat to expand his own chain of newspapers or for the profitability involved therein.

He said these newspapers were financially in a bad way and the continuance of their publication would be most difficult if prompt assistance was not forthcoming. It was at that stage he had been approached by Mr. Ramanlal Sheth, publisher of these papers.

"Aware of the character of this institution and the service it has rendered to the national cause, I thought it would be a sad day for these papers to fold up. I readily agreed to help provided that Shri Ramanlal Sheth agreed to shoulder the editorial and administrative responsibilities and the **status quo** was maintained. I had also stipulated that the Government's concurrence should be secured before I took over these newspapers.

"I had absolutely no interest in acquiring these papers for enlarging my own chain of newspapers, nor was there any profit motive, nor was it calculated to increase the concentration of monopolist power as was alleged in certain quarters. If, however, the Government can find some method of keeping these papers alive, I shall be more than happy."

(The Times of India, New Delhi and Bombay)

Z. Madras State Re-named Tamil Nadu—Bill Passed: In a rare display of unanimity, the Lok Sabha passed on November 22, 1968 a Government Bill seeking to change the name of Madras State to Tamil Nadu.

The Bill, based on a similar resolution adopted unanimously by the Madras State Assembly, earned for the Government lavish praise from Mr. V. K. Krishnamoorthy (DMK) who admitted he seldom found himself in agreement with the Government. But, by moving the Bill, the Government had shown a spirit that could promote a smooth Centre-State relationship.

In a brief speech, the Central Home Minister, Mr. Y. B. Chavan said it was a matter of national pride to restore the name of Tamil Nadu, and pleaded: "Let not language be used as an instrument of restoring a glorious past alone but also to construct an equally glorious future for the country."

The Rajya Sabha passed the Bill on December 5, 1968.

(The Hindustan Times, New Delhi)

[Prev. ref. 8518:INI:I]

ASIA OUTSIDE ASIA

A. Czech Party Central Committee's Decisions: The plenary meeting of the Czech Communist Party Central Committee ended in Prague on November 17, 1968 with a call for development of the "positive results" of the liberalization movement and "liberal respect" for the Agreement under which Soviet troops remain stationed in Czechoslovakia.

The meeting, which began on November 14, thus ended on a note of compromise.

According to the text of a resolution, the 590 Committee members stressed that the "extreme tendencies and the mistakes brought on by the liberalization movement that began in January, 1968 with the election of Mr. Alexander Dubcek as First Secretary must disappear."

All resolutions adopted by the Committee were by acclamation. About 57 of the 140 members who had asked to speak took the floor.

The Committee agreed that before a 14th Party Congress could be held, there must be "a complete normalization of the situation and a consolidation of relations with the other Socialist countries."

Mr. Dubcek had urged the Committee earlier not to call a party Congress in the near future.

A resolution passed at the final session said that a "more detailed analysis of the situation" was necessary before a Congress could set party policy "for a longer period of time."

[Progressives have been trying to hold the party Congress ever since last Summer to oust conservatives from the Central Committee.]

New Policy Line:

The Czechoslovak Communist Party laid down its official new policy line on November 18 as that the January, 1968 reform programme was necessary because of "weak points and mistakes" of the Stalinist era, but the reformers had allowed criticism that turned against communism itself.

The new official line was made public by the **Ceteka** news agency following the three-day Central Committee meeting which also set up a 21-man Executive Committee in a move that greatly eroded the power of the party leader, Mr. Alexander Dubcek, who had sponsored the reform movement.

The statement on "the main tasks" of the party admitted that anti-socialist "pressure gradually began to strengthen" after Mr. Dubcek started his reform programme. But, at the same time, there was "serious resistance (to the reforms) by the dogmatic and conservative forces."

Students' "Sit-in":

Philosophy students at Charles University in Prague started a sit-in strike on November 17, 1968 following a vote by thousands of Czech students to demonstrate for three days in support of Mr. Alexander Dubcek.

The demonstration was also in protest against conservative speeches at the Central Committee meeting.

Students in Moravia and Bohemia started their demonstration inside their faculty on November 18. A 10-point resolution outlined students' feelings towards the Central Committee session.

Peace Awards:

The Czechoslovak President, Mr. Ludvik Svoboda, the First Secretary of the Czech Communist Party, Mr. Alexander Dubcek, and the Czech and Slovak radio and television services were among personalities and organizations presented with Peace Prizes by the Czechoslovak Peace Committee on November 4.

The awards, announced at the National Conference of the Czechoslovak Peace Movement, it was said, were made for "the courage and spirit of sacrifice displayed by the recipients during the country's difficult days."

In all, 44 people and six organizations received the awards.

Anti-Soviet Demonstrations Condemned:

On November 12, 1968, the Czechoslovak Government condemned the the anti-Soviet demonstrations on the 51st anniversary of the October Revolution on November 7 and said it would make full use of the law to preserve order.

A statement issued after a joint session of the Government and the Central Council of Trade Unions warned that such actions were "undermining the efforts of the Government and the majority of the people towards the normalization of political and economic life."

The Prime Minister, Mr. O. Cernik, appeared on television on November 11 and appealed to students not to create a situation "which might lead to tragedy".

Making his first television address in weeks, he condemned the anti-Soviet demonstrations on November 7 as "scandalous incidents." "People were wounded. This could lead us into a blind alley. Crowd psychosis takes over."

On November 14, the Communist Party First Secretary, Mr. Alexander Dubcek, condemned the anti-Soviet demonstrations on November 7 and declared that those who "accuse the leaders of capitulation create an anti-Soviet psychosis" and were chiefly responsible for delaying "normalization."

Addressing a plenary session of the party's 190-member Central Committee—the first since the August 21 Soviet invasion—Mr. Dubcek stressed the need to adopt "a clear position against any adventurist efforts," and to isolate "anti-socialist" forces which "take advantage of people's lack of political experience, and particularly that of the young people."

He said: "Class solidarity with the Soviet Union is the fundamental principle that our party has never abandoned and from which it will not depart today."

(**The Times**, London and **The Hindu**, Madras)

[Prev. ref. 8619:AOA:E]

B. "Zond-6" Launched By USSR: The Soviet Union confirmed on November 14 that its **Zond-6** unmanned space-craft was launched on November 19, 1968.

The feat, reported by Britain's Jordell Bank observatory, strengthened speculation that **Zond-6** was intended to return to Earth, duplicating the flight of **Zond-5** in September, 1968.

The observatory said **Zond-6** was believed to be heading back to Earth. The spaceship made its closest approach to the Moon at a distance of 1,000 to 2,000 miles (1,600 to 3,200 km).

Russia announced on November 18 the recovery of its **Zond-6** space-craft after a week-long journey round the Moon. **Tass** said that the unmanned vehicle, which may have been carrying some form of animal life, landed in a pre-set district in the Soviet Union. This contradicted a report from a West German tracking station, which said on November 17 that **Zond-6** had probably splashed down in the Indian Ocean.

The **Tass** announcement said that **Zond-6** had twice entered the Earth's atmosphere in its descent. The first dip into the atmosphere reduced the space-craft's speed "through aero-dynamical braking." The descent apparatus was then oriented so that the craft left the atmosphere and returned to space where it continued on a ballistic course until its second dip into the atmosphere. It was understood to have returned to Earth at a speed of 40,000 km an hour.

Russia claimed on November 19 that it had solved "fundamental problems" for sending man to the Moon. The basic problem of re-entry of a space-craft at second cosmic speed (lunar recovery speed) was successfully accomplished by **Zond-6**. The spacecraft, which "soft-landed" on Soviet territory after an eight-day near lunar flight, also tested the "more complex and promising method of return of interplanetary ships".

The flights of **Zond-6** and its sister ship **Zond-5**, which made the first circumlunar journey and splashed down in the Indian Ocean on September 21, were regarded as an essential preliminary for a similar manned flight.

(**Tass** and **The Times**, London)

[Prev. ref. 8575:AOA:E]

C. World's Biggest Unmanned Spaceship Launched By USSR: The Soviet Union on November 16, 1968 launched **Proton-4**, described in an official announcement as the world's biggest unmanned spaceship.

The announcement said a booster rocket put a payload of 17 tons into an Earth orbit. Of this, 12.5 tons constituted unspecified scientific equipment. **Proton-4** will study cosmic rays "and their interaction with nuclei of atoms."

The space station was in an orbit ranging from 495 km to 255 km above the Earth. It was circling the Earth every 91.75 minutes.

The launching of previous Protons indicated that the Soviet Union then had the world's most powerful rocket. **Proton-1**, launched in July, 1965, had a payload of 12.2 tons. The same weight was put into orbit when **Proton-2** was launched later that year. **Proton-3**, launched on **July 6**, 1966, had a 13-ton payload.

The Soviet **Proton** series of space-craft uses a powerful carrier rocket, which Western scientists said could be used for the Soviet Union's announced programme of assembling manned space-craft in an Earth orbit for trips to the Moon and planets.

(**Tass** and **The Times of India**, New Delhi)

[Prev. ref. 8643:AOA:A]

D. Soviet Intervention In Eastern Europe And Mediterranean—NATO Warning: A NATO Council **communique** issued in Brussels on November 16, 1968 said that the Council meeting, traditionally held in December, had been advanced by six weeks because of the "serious situation" arising from "the armed intervention in Czechoslovakia by the Soviet Union and four of its Warsaw Pact allies".

The Soviet action in Central Europe, the **communique** said, also caused uncertainty about Soviet intentions in the Mediterranean.

France added a foot-note to it on the continuation of the NATO alliance. It said that as far as France was concerned, the alliance should continue "as long as seems necessary" unless there was a radical change in relations between the East and West.

[A spokesman recalled that the French position was the same in 1966. The French Foreign Minister, Mr. Michel Debre, had, in his speech, put the emphasis on continuing efforts to reduce tensions between the West and the Soviet Union.]

The 15-nation Atlantic Alliance warned the Soviet Union that any intervention, direct or indirect, in Europe or in the Mediterranean would "create an international crisis of grave consequences".

The warning to Moscow was endorsed by all members of the North Atlantic Treaty Organization, including France. This was taken as an indication that France had closed ranks with its allies after the Soviet occupation of Czechoslovakia.

[About 50 NATO warships and 150 planes ended a large-scale exercise in the Mediterranean on November 15 where the Soviet Union was reportedly building up its forces. The 11-day exercise, code-named "Eden Apple", tested anti-submarine and other naval warfare tactics. Britain, USA, France, Italy and Greece took part.]

(**The Times**, London and **The New York Times**)

[Prev. ref. 8620:AOA:E]

E. China's Admission To UN: The debate on China's admission to UN began in the General Assembly on November 12, 1968.

The US delegate, Mr. James Russell Wiggins said that USA stood firm in its opposition to give a UN place to Peking but promised to continue the search for reconciliation with China.

He said this could not be done by yielding to unrealistic demands but "by patiently and imaginatively exploring concrete possibilities for constructive contacts". USA did not accept as final the rebuffs received so far from China, and did not see any hopes for early progress. "But we remain convinced that China must ultimately, and the sooner the better, return to the family of nations".

He rejected as unacceptable a 16-Power resolution calling for the seating of China and the expulsion of Formosa from UN. Peking had shown nothing but hostility and contempt for UN and its presence in the world Organization would only lead to discord.

Mr. Wiggins was followed by Mr. Halim Budo (Albania) which has taken the lead in promoting Peking's case in recent years and is generally regarded as the mouthpiece of the Peking Government in UN.

Mr. Budo attacked USA for its refusal to allow China to take its lawful place in UN. The Chinese people, through their great cultural proletarian revolution were leading the struggle of peoples throughout the world for peace.

On November 13, the Soviet Union and France urged the General Assembly to recognize Peking's right to a seat in United Nations and to expel the representatives of Taiwan.

Both the Soviet Ambassador, Mr. Jacob A. Malik and the French Ambassador, Mr. Armand Berard, supported the 16-Power resolution to this effect and declared their opposition to a proposal calling for a study of the whole China problem.

They added that the question was not one of admitting a new State as China was a founding member of the UN. The issue was not, therefore, important in terms of Article 18 of the Charter and only a simple majority of the 126-nation Assembly was needed to change the representation of China.

Mr. Berard said France would vote for a resolution that would restore the legitimate rights of China. France was prepared to do this "despite reservations on certain of its terms."

Mr. Malik told the Assembly that his country regarded the China representation issue as a matter of principle. "To us," he said, "the question is not a matter to be approached according to some transitory nature of our relations with China."

Since the deterioration of relations between Moscow and Peking, the Soviet Union had taken a back seat in the China debate, and Mr. Malik's entire speech took only 11 minutes. Albania, the voice of Peking, has been the loudest advocate of admitting Peking and expelling Taiwan.

Britain supported admission of China and the expulsion of Taiwan. But Britain went along with the United States in contending that such a decision was a substantive one requiring a two-thirds majority vote.

The General Assembly has kept the door closed to China regularly since 1950.

(**UN Newsletter**)

[Prev. ref. 8124:CHI:J]

F. British Race Relations Act Comes Into Force: The Race Relations Act, passed by the British Parliament earlier, came into force on November 26, 1968. It made racial discrimination in public facilities, employment and housing an offence punishable by law.

The Act came into force along with the Community Relations Commission, which has the duty to make sure that the Act's provisions are strictly applied.

The Commission, headed by a former Secretary-General of the Transport and General Workers' Union, Mr. Frank Cousins, is a 12-member body including professors, doctors and writers.

(**The Times**, London)

[Prev. ref. 6868:AOA:C]

G. Law-making Privilege Of House Of Lords Abolished: Britain's House of Lords on November 21, 1968 approved a planned abolition of its 600-year aristocratic privilege in law-making.

Peers of the realm in Parliament's Upper Chamber voted by 251 to 56 for sweeping reforms that would virtually make them extinct as a political force.

The 195-Government majority meant endorsement for a drastic change in the constitutional set-up of the once-powerful House of Lords, created in the 14th century. The House will retain its ancient rights to function as a "brake" on legislation sent it from the House of Commons.

But, in future it will not be composed largely of aristocrats whose seats are guaranteed by hereditary birth right.

The Government plans to abolish privilege as the entrance ticket to the House of Lords in detailed legislation promised within the next 12 months.

(**The Times**, London)

[Prev. ref. 5394:AOA:J]

H. Australian Military Aid To Malaysia: The Australian Prime Minister, Mr. John Gorton, announced in Canberra on November 19, 1968 that his Government had decided in principle to keep in Malaysia and Singapore area until the end of 1971 two squadrons of **Mirage** fighter aircraft, two destroyers or destroyer escorts and what he called an ANZUC battalion.

Australia at present has its own battalion at Terendak, in Malaya, and the reference to an ANZAC battalion was taken to mean not that the Australians would reduce the number of their soldiers but that Mr. Gorton was able to indicate a similar decision by New Zealand. The Australians would also continue to help operate the jungle warfare school at Kota Tinggi.

Mr. Gorton emphasized that even the limited decision up to the end of 1971 had been taken only in principle because "we need to know what assistance and support would be forthcoming from countries in the area—what arrangements will be made to man radar and control anti-aircraft defences, what infrastructure will be provided in support of ground troops and where and in what barrack complex they can economically be housed".

(**The Times**, London)

[Prev. ref. 8448:MAL:A]

I. GATT Annual Report On World Trade: According to the annual report of the General Agreement on Tariffs and Trade (GATT), published in Geneva on November 11, 1968, world trade was expected to increase by 8 per cent this year compared with only 5 per cent in 1967.

It said it would be reasonable to expect the acceleration in trade in general to benefit the developing nations. The annual growth of exports from developing countries would be somewhere between 6 and 8 per cent as compared with 2.5 per cent in 1967. "The import growth will be more moderate, probably 4 to 6 per cent. Thus the trade deficit which had increased supstantially in 1967 should decline again".

The report estimated that exports of industrialized countries should develop by about 9 per cent by 1968 and imports by about the same margin.

The export growth rate would be above the regional average in Japan, the Benelux, West Germany and Italy, and it would be below that average in USA, France and the United Kingdom.

(**The Times**, London and **The Times of India**, Bombay)

[Prev. ref. 8576:AOA:G]

J. Dr. R. Prebisch Resigns As UNCTAD Secretary-General: On November 24, 1968, Dr. Raul Prebisch, the Argentine-born economist, submitted his formal resignation as Secretary-General of the UN Conference on Trade and Development (UNCTAD).

Earlier, following the apparent failure and disappointments of the second session of the UNCTAD in New Delhi, he had asked the Secretary-General, U Thant to relieve him of his post. In April, U Thant had appealed to Dr. Prebisch to continue his work, at least until plans for the second Development Decade were completed. But Dr. Prebisch finally decided to present his formal resignation.

Dr. Prebisch (67) cited "health reasons" for quitting his $43,000-a-year post.

In New Delhi, the Indian Commerce Secretary, Mr. K. B. Lall expressed "great shock" at the reported resignation of Dr. Prebisch.

He said Dr. Prebisch's resignation would dislocate the working of UNCTAD at a time when the Second Committee of United Nations was grappling with important issues affecting the trade of the developing countries and "good results are expected."

He also pointed out how the continuing machinery of the Second UNCTAD was charged with very important tasks like solving the problems relating to trade and development and chalking out the strategy for the next Development Decade beginning in the seventies. The present was not the situation when UNCTAD should waste time finding a leader or forego the present leadership. "It would be the unanimous wish of the developing countries that Dr. Prebisch should continue till the third UNCTAD. Till then, his services are indispensable."

Dr. M. P. Guerrero Appointed:

On November 27, 1968, Venezuela's UN Ambassador, Dr. Manuel Perez Guerrero, was named Secretary-General of UNCTAD.

U Thant took note of the wishes of the Latin American Governments in naming another Latin American economist to succeed Dr. Prebisch.

(**The New York Times** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8315:INI:A]

K. Regional Seminar On State Trading: A seminar on State trading organized jointly by the Economic Commission for Asia and the Far East (ECAFE) and the UN Office of Technical Co-operation in conjunction with the USSR Government, was held in Moscow from September 25 to October 21, 1968.

Participants in the seminar included 22 experts from nine Asian countries, namely, Ceylon, India, Indonesia, Iran, Malaysia, Nepal, Pakistan, the Philippines and Singapore.

The seminar arrived at the following conclusions:

(1) The ECAFE secretariat should issue annually a study on developments in the State trading enterprises in the regional member-countries;

(2) The developing countries should exert a conscious effort to expand their trade with the socialist countries;

(3) Consideration should be given by the Soviet Union and other socialist countries to increase progressively their imports of manufactures and semi-manufactures and primary products from the developing countries;

(4) The prosperity generated by the economic reform in the Soviet Union has led to trade expansion with the developing countries;

(5) The trading organizations in the Soviet Union and other socialist countries should encourage, to the extent feasible and compatible with normal business practices, trading with the developing countries; and

(6) The developing and socialist countries should seek a balancing of their bilateral trade over a longer period rather than annually.

(**UN Newsletter**)

[Prev. ref. 8466:AOA:A]

L. International Sugar Agreement: The United Nations Sugar Conference concluded on October 24, 1968 with the adoption of an International Sugar Agreement, which was remitted to Governments for their consideration.

It was open for signature at UN Headquarters until December 24, 1968.

The target date for the entry into force of the Agreement is January 1, 1969, the target set at the second session of the United Nations Conference on Trade and Development (UNCTAD), held in New Delhi earlier this year. The Agreement would be effective for a period of five years, with the economic provisions coming under review in the third year.

The Agreement is designed to bring world production and consumption of sugar into closer balance at prices above the present low levels. It aims, **inter alia,** to maintain a stable price for sugar which would be reasonably remunerative to production in developed countries.

An important feature of the new Agreement is the provision of a special hardship fund of 150,000 tons for developing countries. The Agreement indicates the principal factors to be taken into account in allocating such a fund.

Particular attention would be given to the needs of small developing countries whose export earnings were heavily dependent upon the export of sugar, of countries whose economy was becoming increasingly dependent upon sugar and of certain countries burdened with excessive stocks.

In accordance with the principles of UNCTAD, the new Agreement would give special recognition to the needs of the developing exporting countries. For example, at a certain stage, a special preference would be given in the allocation of shortfalls.

Another feature of the new Agreement was that, for the first time, importing countries would make commitments regarding access to their markets.

Land-locked countries would be specifically exempt from certain supply commitments and from certain penalties that might arise from failure to supply their quota.

The Agreement dealt with supplies to the free market and special arrangements would not be affected.

(UN Newsletter)

[Prev. ref. 8314:INI:A]

M. **World Catch Of Fish:** According to the UN Food and Agriculture Organization (FAO) Yearbook of fisheries statistics, released in Rome on November 19, 1968, the world's total haul of fish exceeded 60 million tonnes in 1967 and Peru became the first nation to take more than 10 million tonnes.

Japan had the second largest haul, while China presumably was third and the Soviet Union fourth. For the second successive year, Norway was placed fifth, ahead of USA. India had a catch of 1.4 million tonnes.

The total catch for 1967 was 60.5 million tonnes—5.5 per cent more than the 1966 haul of 57.3 million tonnes.

(**The Statesman,** New Delhi)

[Prev. ref. 5795:ADN:B]

N. **UNESCO Science Prize For 1968:** Prof. Robert Simpson Silver, British inventor for the multi-stage *flash distillation process* used in *desalinating sea water*, has won the UNESCO Science Prize for 1968.

It was presented to Prof Silver on November 5 at a ceremony held in Paris during the UNESCO General Conference.

The $3,000 Prize, which has been awarded for the first time, was set up by UNESCO for "an outstanding contribution to the technological development of a developing member-State or region."

(UNESCO)

O. **World Tourism:** International tourism officials wound up their annual meeting in San Francisco on November 11, 1968 by outlining a plan to help the developing countries.

Their President, Mr. Augustin Salvat of Mexico, told a news conference that 139 million tourists travelled outside their home countries in 1967. But most of them moved within developed countries, especially in Europe.

A Spanish delegate, Mr. Juan Arespacochaga, said tourism in 1967 represented 6 per cent of the total trade. "If we truly wish to help developing countries there is no more honest and sure way than to foster tourism in developing countries."

The delegates, belonging to the executive committee of the International Union of Official Travel Organizations decided to transform the group into an inter-governmental organization with close ties with United Nations.

The change of status will enable the group, which represents 103 countries, to qualify for international funds and would give developing countries better access to technical advice on how to improve their fledgling tourist industries.

(The New York Times)

[Prev. ref. 7593:AOA:H]

P. **Miss World For 1968:** Miss Penelope Plummer (18), blonde Australian librarian, won the Miss World 1968 title in London on November 15.

Britain and Israel got second and third places.

Miss Plummer walked off the stage of London's Lyceum ballroom with a first prize of £ 2,500 and the chance of earning £ 25,000 through a contract with the contest organizers, Mecca.

Miss World from Sydney was third favourite for the title in pre-contest betting odds quoted by leading London bookmakers.

Earlier, Miss Amparo Rodrigo Lorenzo, Spain's fiery candidate at the Miss World contest who walked out after a dispute over the presence of Miss Gibraltar, officially withdrew from the competition.

(**The Times,** London)

[Prev. ref. 7962:AOA:B]

Q. **World Suicide Rate:** The World Health Organization (WHO) in a booklet issued in New York on November 18, 1968 stated that the number of people committing suicide all over the world averages at least 1,000 a day—more than half-a-million a year.

Eight times that many try it and so "there are likely to be several million people attempting suicide in the world in any one year".

The booklet is titled "Prevention of Suicide". It says that one way to prevent suicide is to take people seriously when they threaten it and help them change their minds.

In general, suicide is more common among men than among women, and it is most common among mental patients, alcoholics, divorcees, unemployed, foreign-born, persons living alone, children of broken homes, university students and old people.

In a table of death rates from suicide in 21 advanced countries for 1961-63, it shows the average yearly rate for both sexes to be highest for Hungary with 33.9 suicides for every 100,000 people and lowest for Italy with 7.1 per 100,000.

The figures for other countries are: Finland 29, Austria 28.3, Czechoslovakia 28.2, Japan 24.7, Denmark 24.2, West Germany 24.1, Switzerland 23.3, Sweden 21.7, France 20.7, Australia 10.6, USA 15.6, England and Wales 15.1, New Zealand 13, Poland 12, Scotland 11.4, Canada 11.1, Israel (Jews only) 10, Norway 10, and the Netherlands 9.1.

(The New York Times)

R. **"Intelsat-3" Launched: Intelsat-3,** the most powerful communications payload ever built, soared into space on December 18, 1968 from Cape Kennedy (USA) on the tenth anniversary of the launching of the world's first communications satellite.

Ten years ago an **Atlas** rocket soared into orbit from the then Cape Canaveral with the first space communications relay equipment and beamed to Earth a tape-recorded Christmas peace message from President Eisenhower.

Intelsat-3 is capable of handling 1,200 simultaneous two-way telephone conversations or four television programmes. The 42-lb satellite was designed to carry five times more traffic than any of the four smaller satellites currently operated by the three-nation International Tele-communications Consortium—two over the Atlantic and two over the Pacific.

In 1969, **Intelsat** plans to complete its world-wide **Intelsat** network by placing a second satellite over the Atlantic and one each over the Pacific and Indian Oceans. The Consortium is also developing a large **Intelsat-4** series, the first of which is to be launched in 1972.

(The New York Times)

[Prev. ref. 7860:INI:I]

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NEPAL

A. Foreign Policy Reviewed: Addressing the Nepal Council of World Affairs in Khatmandu recently, the Minister for Foreign Affairs, Mr. Gehendra Bahadur Rajbhandari, said that Nepal's foreign policy as pursued under the able guidance of King Mahendra was based on the principles of equality of nations, peaceful co-existence and non-alignment. Nepal would pursue the same policy in her efforts towards strengthening her relations with her neighbours as well as with all other nations of the world.

He said that Nepal's foreign policy was intended to develop friendship and goodwill among nations without one nation pressurizing the other. This policy, as Nepal believed, was congenial to world peace. The same policy had proved of particular help to Nepal in her pursuance of economic and social goals as an independent, sovereign nation.

He also mentioned Nepal's interest in United Nations whose Charter she had always supported. The country had all through remained associated with UN activities. Nepal was making ceaseless efforts to make UN increasingly representative of the nations of the world, including all those like China, which had so far had to remain outside of United Nations.

He also explained the purpose that impelled the Government to seek a seat on the Security Council. Nepal believed that by entering the Security Council she would be able to keep herself quite active, that small nations like herself cherished increasing faith in United Nations, and that an Asian nation like herself could contribute towards the creation of world peace in accordance with her declared policy. "Under His Majesty's leadership, Nepal has successfully implemented a foreign policy which has by now taken concrete shape."

Nepal gave special attention to her neighbouring countries while conducting her foreign policy. He also dwelt upon Nepal's policy towards India with which she had been increasing her efforts to develop social, economic, trade and cultural relations and hoped that despite all apprehended difficulties Nepal would be able to resolve her problems with India.

He also dealt with Nepal's relations with China which, he said, were based on the five principles of peaceful co-existence. Both the countries pursued this policy, adding to the strength of their relations with each other. "These relations existing between Nepal and People's China agreed with the requirements of world peace. The same relations also accorded with the spirit of the times. That is what Nepal believed in. Also praiseworthy are the events of exchanges of visits to each other by leaders of both the countries as well as the assistance that People's China has rendered to Nepal in the latter's development efforts".

(The Times of India,
New Delhi)

[Prev. ref. 8425:NEP:A]

B. Trade Agreement With India: At the Indo-Nepalese trade talks, which concluded in Khatmandu on November 19, 1968, India made major concessions on two main issues: entry of Nepalese synthetic textiles and stainless steel into India and "overflow" of foreign consumer goods into Indian markets from Nepal.

As per the provisions of the Indo-Nepalese Trade and Transit Treaty, the Indian team agreed in principle to allow import into India of both stainless steel utensils and synthetic textiles manufactured in Nepal from raw materials imported from third countries, despite the fact that in India import of both these items is subject to strict controls.

The only concession Nepal made on this issue was its willingness to freeze production of both these goods to the 1967-68 level, which means that Nepal will not issue any fresh licence for setting up such industry in the Kingdom.

Certain Indian manufacturers had moved writ petitions to prevent the entry of Nepal-made synthetic textiles and stainless steel utensils as it had proved detrimental to India's industrial economy. Nepal was not, however, prepared to give in its right to manufacture these goods and wanted their export to India. She insisted that the Trade Treaty conferred reciprocal rights on both signatories for free flow of their manufactures into each other's territory.

Nepal did not uphold the "allegation" regarding the overflows of foreign consumer goods into India, but promised to co-operate with India to stop smuggling.

Talks Criticized:

It was disclosed in Khatmandu on December 4, 1968 that the Federation of Chambers of Commerce and Industry had voiced disapproval of some aspects of the agreement reached at the Indo-Nepalese trade talks.

The Federation pointed out: "Nepal has not gained anything, except minor points at the expense of major concessions."

About the steps proposed to help Nepal's industrialization, the Federation said that the net result might be "harmful developments that will discourage rather than help the country's industrialization."

According to the Federation, the 20 per cent excise duty exemption that New Delhi had conceded to Nepalese industrialists "will hardly help, since the cost of production in Nepal is much higher than in India. Industry in Nepal is not in a position to export its goods to India by payment of 80 per cent excise duty to the Nepalese Government."

The Federation was also critical of the Government's handling of the issues relating to stainless steel, synthetic fabrics and gift parcels during the trade talks.

(The Times of India,
New Delhi)

[Prev. ref. 8569:NEP:A, 8585:NEP:B]

C. Controversy Over Panchayat System: The former Deputy Prime Minister and Foreign Minister, Mr. Kirtinidhi Bisht, who returning to Khatmandu recently after attending the UN General Assembly, has initiated an open controversy on the partyless panchayat system by issuing a statement jointly with Mr. Rajeshwar Devkota, who had recently resigned as Minister of

Land Reforms. They described the Prime Minister, Mr. Surya Bahadur Thapa's policies as "confusing and aimed at reviving the party system."

In a speech at Bharatpur, Mr. Thapa said in reply that in Nepal membership of panchayats was automatic and not a matter of choice as in the case of a political party and that anybody "accepting basic tenets of the system is welcome to join it."

He also stressed that the panchayat system was liberal and there could be no two opinions about it, although there were differences among some people in the higher tier of panchayats in the matter of operating the system.

This high-level controversy had been brewing for some time in the context of moves for a **detente** between the Establishment and the outlawed Nepal Congress and it was one reason which brought about the recent change in the administration including resignation of Mr. Devkota and the Cabinet re-shuffle when the former Deputy Premier, Mr. Bisht, was dropped from it while he was away in New York.

On this occasion, the King gave more responsible character to the new Cabinet by constituting it under the Prime Minister's chairmanship.

Mr. Bisht and Mr. Devkota in their joint statement, however, welcomed the recent release of political prisoners which they described as an administrative process and alleged that it had been delayed because of ambiguous policies of Mr. Thapa. They also argued that the panchayat system had been "weakened" because of attempts to project these releases as a sign of liberalism and to secure co-operation of the panchayat in this matter by "intimation and lures" rather than on the basis of principles.

They "politically" welcomed the King's steps in "giving greater responsibility to the Prime Minister," but added that Mr. Thapa had been unsuccessful in consolidating the panchayats. They characterized Mr. Thapa's alleged efforts to revive the party system by creating differences of opinion within the partyless system as an irresponsible act contrary to the panchayat system, the fundamentals of which, they said, Mr. Thapa did not understand.

(**The Statesman,** New Delhi)

[Prev. ref. 8569:NEP:B, 8640:NEP: A]

PAKISTAN

SUMMARY: Agitation Against Government Continues; Fourth Plan Objectives; Tarbela Dam Project; Soviet Help In Nuclear Technology.

A. **Agitation Against President Ayub Khan's Regime:** The agitation against President Ayub Khan's regime in the country continued and there were several demonstrations and arrests throughout the country. The disturbances also spread in East Pakistan.

President Ayub Khan arrived in Dacca on December 7, 1968 on a week's visit for the session of the National Assembly. On his arrival, there were demonstrations against him.

In Dacca on December 7, 1968, two persons were killed and 20 injured when police fired on rioters during a day-long wave of anti-Government demonstrations in Dacca.

Police sources said that about 150 persons were arrested during the troubles marking the third day of a visit to the East Pakistan capital by President Ayub Khan.

Later, the Opposition leader in the National Assembly, Mr. Nurul Amin, led a group of Opposition members to the Dacca Medical College Hospital to see people said to have been injured in the firing. Mr. Amin is a former East Pakistan Finance Minister.

In the National Assembly, holding its winter session in Dacca, Opposition members walked out on December 7, 1968 after an unsuccessful bid to raise (through an adjournment motion) the issue of police firing and the recent disturbances in West Pakistan.

Next dav (December 8, 1968), the police wielding batons charged to disperse crowds lining the streets in Dacca in defiance of a ban on public gatherings. Dacca was tense as Opposition leaders called for a general strike in protest against the police action on December 7, 1968 when they fired on rioting mobs.

The 80-year-old Maulana Abdul Hamid Khan Bhashani, veteran leader of the pro-Peking faction of the National Awami Party, said on December 7, 1968 that the general strike was being called because he wanted "to demonstrate to the world that we are against this oppressive **regime.**"

On December 9, 1968, at least two persons were injured when police opened fire in two areas of Dacca.

President Ayub accused Opposition leaders on December 7, 1968 of committing a "heinous crime" by "inciting people to violence and disorder."

Meanwhile, Opposition members walked out of the East Pakistan National Assembly on December 9 1968 in protest against arrests and police action. The leader of the Opposition said before the walkout that 500 people had been arrested and that police had used batons and tear-gas indiscriminately.

On December 13, 1968, the police rounded up a large number of "suspects" in major cities in East Pakistan where the strike call appeared to have been observed by a majority of workers. One of the men arrested in Dacca was Col. Mukhtar Husain, Private Secretary to Air Marshal Asghar Khan. Colonel Husain was arrested outside a mosque as he and Air Marshal Asghar Khan were talking to newsmen.

The police fired on crowds demonstrating against President Ayub Khan's Government on December 13, 1968 as violence erupted again in East Pakistan. Government sources said that nine persons were wounded by the police firing in Chittagong, but unofficial reports put the figure at "over a dozen".

The demonstrators were trying to enforce a strike which had been called by seven political parties opposed to President Ayub Khan. The strike call was given by the East Pakistan Awami League, the East Pakistan National Awami Party and the National Democratic Front.

An official Press Note issued in Dacca and quoted by **Radio Pakistan** said that the police also had to use tear-gas to disperse rowdy elements in the commercial area of Chittagong. Earlier, the police made a lathi charge to disperse a crowd which had indulged in attacking transport vehicles and placing barricades on the road.

The strike also affected Dacca where President Ayub Khan was staying on a week's visit and troops patrolled the streets to prevent violence.

On December 13, 1968, the police arrested at least 1,000 people in cities throughout East Pakistan during a general strike called by the major Opposition parties.

Incidents were reported from several parts of the country and people were injured when the police opened fire in Chittagong. Fifteen others, including ten policemen were injured in clashes between demonstrators and police.

More than 700 people were arrested in Dacca and Chittagong alone though Dacca itself was relatively calm. A further 335 persons were arrested in Dacca.

In Peshawar, there was general support for a strike on December 13, 1968.

Next day (December 14, 1968), the police and students in Lahore clashed in two running battles during demonstrations to demand the release of arrested students. The police used batons in an attempt to contain the students within the university campus and prevent them from staging a scheduled march through the centre of the city. The students retaliated with stones. They carried placards with slogans demanding the release of detained students and the dismissal of the Vice-Chancellor of Dacca University and protesting against police repression.

The police denied allegations that they had made students walk naked through the streets during the demonstration on November 27, 1968.

In Rawalpindi, anti-Government posters sprouted on street walls early on December 15, 1968 a few hours after President Ayub Khan returned from Dacca. The posters demanded a change of Government and charged that a favoured few were amassing wealth in foreign banks. Other posters, denouncing the police, were plastered on a local police station.

The Government banned all meetings and demonstrations in Karachi on December 14, 1968 except those organized under official auspices.

In Rawalpindi, the Students' Action Committee accused the Government of provoking students by making false accusations.

Fresh incidents were reported from various parts of East Pakistan also on December 15, 1968.

Journalists' Demonstration:

More than 250 journalists and other newspaper workers demonstrated in Karachi on December 17, 1968 in support of demands for Press freedom, many wearing badges showing a pen in chains. They marched to the tomb of Mr. Mohammed Ali Jinnah.

Their demands were codified in a resolution passed by the Executive Council of Pakistan's Federal Union of Journalists. Among these was a call for freeing radio and TV from official control and for the winding up of the Government-controlled Nation Press Trust, which owns several major papers, including the English language **Morning News** and **Pakistan Times.**

The Council also demanded the repeal of President Ayub Khan's Press and Publications Ordinance and the end of all restrictions on the "right to publish newspapers."

Further Concessions To Students:

In a bid to appease the agitating students, the West Pakistan Governor, Gen. Mohammed Musa, said on December 10, 1968 that besides the "concessions given by the Government in pursuance of President Ayub Khan's six-point plan, several more facilities for students have also been sanctioned".

In a broadcast over **Radio Pakistan,** he said the Government would accept without hesitation new ideas to introduce educational reforms in the country.

Students had been demanding the repeal of the University Ordinance which "curbed their political activities."

Air Marshal Asghar Khan's Views:

In an article in the **Pakistan Times** recently, Air Marshal Asghar Khan said that the failure of the Government to create a social order that millions had hoped to achieve had caused "widespread" disappointment, particularly in East Pakistan, which had received "step-motherly" treatment.

He added that people must "exert their influence and power" to remedy this serious situation.

He observed that if equality of opportunity, social justice and human dignity typify Islam, "our society today is farther from being Islamic than it was 20 years ago". The most important step needed to create a climate in which such conditions could flourish "is to shift the focus of power to the people".

He emphasized that it was only then that the people of East Pakistan could exercise influence "on our national affairs that is their right". National integration in Pakistan could only be achieved if the Government experienced the power and influence if its people. The "dual image of social inequality and West Pakistani domination is now so deeply imprinted on the minds of the vast majority of our East Pakistan brethren that no half-hearted measures are likely to succeed. No steps, however well-intentioned that did not touch the root of the matter are likely to solve the problem".

On December 13, 1968, according to the newspaper **Dawn,** Air Marshal Asghar Khan demanded the resignation of the Governors of both East and West Pakistan.

Addressing Opposition parties' workers in Karachi on December 15, 1968, he said that any possible use of the armed forces to crush agitation against the Government would "create serious consequences" and urged the armed forces not to take more interest in politics than necessary.

He also asked civil servants to be loyal to President Ayub Khan "within the frame-work of the Constitution".

Air Marshal Asghar Khan Charged:

On December 17, 1968,, Air Marshal Asghar Khan was charged in Dacca of unlawfully inciting a crowd to assemble, which is punishable with up to six months' imprisonment.

[Public gatherings of more than five persons are prohibited in Pakistan]

The charge, filed in a lower court, claimed that a large crowd followed Air Marshal Asghar Khan on December 13, 1968 when he left noon prayers at Dacca mosque. The crowd that followed Air Marshal Asghar Khan could have rioted and endangered human lives.

He would be summoned to appear in court later.

Gen. Azam Khan Joins Opposition:

President Ayub Khan faced a fresh challenge on December 6, 1968 when his former right-hand man, Gen. Azam Khan, stepped back into active politics.

Gen. Azam Khan, President Ayub Khan's chief lieutenant when he ruled through Martial Law after taking power in a bloodless **coup** in 1958, issued a statement in Lahore announcing his move.

He then joined Air Marshal Asghar Khan—President Ayub Khan's former Air Force commander—in a line-up of potentially challenging opponents from outside the ranks of established Pakistani politicans.

Gen. Azam Khan is a West Pakistani who commanded wide popularity in East Pakistan when he was Governor there.

He said at a news conference at Lahore that he would shortly embark on a tour of East and West Pakistan to gather mass support to change the Government. The present Government was not truly representative of the people and he would not rest till a representative Government was established and the present "political suffocation" was completely removed.

He disclosed that when the Government did not heed his advice for promulgating a Constitution reflecting the true wishes of the people, he had resigned as Governor of East Pakistan. He also criticized the economic policies of the Government.

Accusing the Government of trying to create disunity and suspicion, he said all Pakistanis resented the "myth of secession." He demanded an end to the State of Emergency, repeal of university charter, removal of Press curbs and extraordinary laws, freedom of speech and assembly, and release of all political prisoners and students, including Mr. Z. A. Bhutto and Mr. Wali Khan.

More Leaders Join Opposition:

The former Trade Commissioner in Australia, Mr. A. D. Azhar, announced on December 12, 1968 that he was entering politics and joining the Pakistan People's Party of Mr. Z. A. Bhutto.

Mr. Abdul Qayyum, Khan, a former Chief Minister of the erstwhile North-West Frontier Province, also resigned from the ruling Convention Muslim League and placed his services at the disposal of the People's Party.

President Ayub Khan Puts Off Visits To Saudi Arabia & London:

It was stated in Rawalpindi on December 16, 1968 that President Ayub Khan had put off his visit to Saudi Arabia, due to begin on January 1, 1969.

It also said that President Ayub Khan would not attend the Commonwealth Premiers' Conference in London later.

(**Radio Pakistan, The Pakistan Times,** Lahore and **The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8688:PAK:A]

B. **President Ayub Khan Lists Fourth Plan Objectives:** In his monthly broadcast on November 1, 1968, President Ayub Khan outlined the objectives of the Fourth Plan, which were later approved by the National Economic Council.

The objectives were:

"To direct the forces of economic and social change towards the establishment of a just society;

"To maintain the tempo of development through a determined effort to secure the maximum and most efficient utilization of our material assets and human resources;

"To make the economy increasingly self-reliant in most essential fields; and

"To move towards a viable synthesis between the claims of economic growth and social justice through the pursuit of pragmatic policies."

He said it was for the first time that the Plan objectives were being placed for public discussion before being given a final shape. It was the duty of the intelligentsia to keep this discussion at the proper academic level so that its purpose was not defeated.

He hoped that all those who were acquainted with and understood the affairs of the country and its economic problems would participate in this discussion.

He also identified some of the issues involved in the debate. "At what pace shall we have to speed up our development and what resources will we have to mobilize for the purpose?" At the same time, he added, "we have to consider how to establish a society on the foundations of brotherhood and justice in accordance with our moral and spiritual values."

Document On Fourth Plan:

The Deputy Chairman of the Planning Commission, Mr. M. M. Ahmed, released on November 2, 1968 the first document on the Fourth Plan to mark the launching of the national debate on the Plan's socio-economic objectives.

He set the following tasks before four major sectors of the economy:

Agriculture: Focus on spreading new technology to small farmers and introducing selective mechanization.

Industry: Top priority to basic industries like steel, machinery, chemicals, fertilizers, natural gas, mining, agricultural processing and export industries.

Man-Power Development: Removing serious deficiencies in the country's system of education and technical training and making it more functional.

Family Planning: Measures to avert population explosion through a vigorous family planning programme.

Mr. Ahmed said that the recommended social frame-work sought to resolve conflict between economic dynamism and social justice through the following objects: "Greater equality of opportunity; a fair return to the farmers and industrial workers for their labour; phased introduction of social security and medicare for a growing segment of the population; and greater use of fiscal machinery to promote better distribution of income and wealth."

Elaborating the objective of achieving self-sufficiency in key sectors, he particularly mentioned the target of reducing import of capital goods by half during the next Plan period. At present, 75 per cent of these requirements were imported. The Plan document visualized that almost 80 per cent of the development effort by the end of the Fourth Plan would be made by the country itself.

Regarding the problem of inter-Wing disparity, he said that while success had been achieved in allocating larger public sector expenditure for East Pakistan, there had been "significant failure" in that Wing. The document, therefore, suggested that "the focus of our efforts must shift increasingly to devising a comprehensive policy package to stimulate private investment in East Pakistan and accelerate production in the crucial sector of agriculture."

Major Problems:

Mr. Ahmed said that despite "impressive gains" of the Second and Third Five-Year Plans, certain "serious problems" still remained to be tackled during the Fourth Plan period.

He identified the problems as:

(a) The present **per capita** income was still among the lowest in the world with 75 per cent of the total number of households receiving an income of less than Rs. 200 per month.

(b) The daily calorie intake was around 2,100 per person compared to the minimum international standard of about 2,600 calories.

(c) In the total population of 125 million, there were hardly 20 million who could read or write.

(d) There was still one doctor to look after every 7,000 persons.

(e) There were still 1.2 million families in urban areas who had no decent shelter over their heads.

Highlights:

The following are the highlights of the Fourth Plan:

(1) A rapid and sustained development was needed to raise the present **per capita** income of Rs. 40 per month.

(2) Gross National Product rose by 55 per cent in eight years ending 1967-68, while agricultural production was up by 40 per cent, and industrial production by 160 per cent.

(3) Total increase in GNP during the 1960's was Rs. 2,400 crores.

(4) Foodgrains production was expected to increase by eight million tons during the 1960's opening up export possibilities.

(5) Annual development expenditure would rise from Rs. 2 crores in 1959-60, to Rs. 1,10 crores in 1969-70.

(**The Pakistan Times,** Lahore

[Prev. ref. 7971:PAK:A, 8585:PAK D]

C. **Tarbela Dam Project:** President Ayub Khan on November 1968 performed the ground-brea

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ing ceremony of the Tarbela Dam in West Pakistan.

He said: "The Mangla Dam symbolized our determination to meet our urgent needs in agriculture. Tarbela caps the chain of the projects which cater for our expansion in the net-work of the irrigation system in West Pakistan and also in augmenting the electric power which is so vital in the future development of both industry and agriculture."

He thanked the World Bank and the Consortium countries for their generous support for the project.

Speaking of the mutual benefits acquiring from co-operative endeavour of the World Bank and the aid-giving countries and the country concerned, he said: "Rich countries appear to be somewhat chary now of extending assistance to the less fortunate ones. I would invite them to analyse the Indus Basin project to see what their assistance has done in meeting the vital need of a developing country and also in conferring benefits of diverse nature on the donor countries themselves."

Details:

The Tarbela Dam, which will be the biggest earth-rock-filled dam of the world, will be constructed over the Indus River about 32 miles above Attock.

The Dam will be ready in 1975.

Of all the replacement plan works envisaged under the Indus Waters Treaty, Tarbela is not only the largest project in size and cost, but also promises maximum development in the agricultural and industrial sectors in West Pakistan. It will involve the construction of a 485-feet-high earth-rock-fill dam which will be 9,000 feet long at its crest.

The Dam will contain 186 million cubic yards of fill materials. It will dwarf the Fort Peck Dam (USA) which till 1967 was the largest earthfill dam, containing 125 million cubic yards of fill materials.

Its four tunnels, each of 45 feet internal diameter, rank amongst the largest in the world. The capacity of its spillways will be 15,00,000 cubic feet per second, which is 50 per cent more than that of the Mangla spillway.

The storage capacity of the proposed reservoir of the Dam is small relative to the volume of annual river flow which will pass through it. The Indus River is known to carry large quantities of sediments and the reservoir will act as a desilting basin. The total sediment load carried by Indus is about 360 million tons every year. It is estimated that the capacity of the Tarbela reservoir will get reduced to one million acre-feet after about 55 to 60 years.

(Radio Pakistan and **The Times of India,** New Delhi)

[Prev. ref. 8379:PAK:I, 8427:PAK:E]

D. Occupation Of Kashmir "A Handicap To India"—Air Marshal Asghar Khan's View: In a series of articles on Pakistan's defence, Air Marshal Asghar Khan, former Air Chief, has said that in purely military terms the "Indian military occupation of Kashmir" was "more of a handicap to India than to Pakistan."

He said that "the larger the forces India finds necessary to station in Kashmir, the weaker her overall military position must necessarily become. The larger Indian force in Kashmir can make little or no contribution to the main battle in the plains, and because of its rather long and tenuous communication link with India, this force will always be in danger of being isolated. Should this happen, even for a relatively short period, the military and political consequences for India could be disastrous and her defence capacity in other theatres would be seriously weakened."

"So long as she finds it politically necessary to hold Kashmir, India will have to station substantial forces in this area. The larger this commitment, the weaker her overall defence capability in the theatres of decisive operations".

He pointed out that "the only area in the west where large Indian forces can be deployed against West Pakistan lies between Sialkot and Ferozepur. It is well served with communications and permits the deployment of large military formations. But from Forozepur almost up to the sea, Pakistan's border is protected by a large desert ill-served by communications. A large military thrust from this direction is therefore unlikely. Conditions in that area afford us natural protection and to some extent ease the problem of defence. The likely battle area from Sialkot to Ferozepur is intersected by canals and rivers all flowing roughly from north to south and therefore across the axis of advance of an invading army".

Air Marshal Asghar Khan pointed out that "these obstacles can, therefore, be used with advantage to improve our defence capability".

"Indian re-inforcements from one theatre of operations to another on East Pakistan's periphery would have to cover a wide circuitous route, and the re-deployment of her forces would therefore be relatively a more difficult task. Concentration and re-deployment of forces in the eastern theatre is, therefore, an easier task for us than for the Indians.

"In military terms, therefore, Pakistan's division into two halves lends strength to her defence and enhances her security".

(The Times of India, New Delhi)

[Prev. ref. 8451:PAK:B]

E. Soviet Help In Nuclear Technology: According to a bilateral Agreement finalized in the third week of November, 1968, the Soviet Union has agreed to help Pakistan develop its nuclear technology.

According to reports reaching Washington, Moscow's decision to train Pakistani scientists and engineers in Soviet nuclear establishments and offer it technical data on uses of atomic energy has caused Pakistan much satisfaction.

Pakistani leaders had for long complained of the advance that India had made in this field and had been anxious to secure help to narrow the gap quickly. They now hope that with Soviet assistance their country will not only catch up with India, but perhaps outstrip it in the next few years.

On the other hand, Moscow's willingness to share its knowledge and experience in the important and potentially dangerous field of nuclear technology is apparently part of its endeavour to win Pakistan's affections.

(The Hindustan Times, New Delhi)

[Prev. ref. 8451:PAK:A, 8609:PAK:D]

F. Industrial Production During 1967-68: Taking 1959-60 as base year, the industrial production in 1967-68 touched the 261 mark, showing a progress of over 250 per cent during the post-Revolution period and an annual average growth rate of 15 per cent.

This was disclosed by Mr. Saeed Jafri, Secretary, Ministry of Industries and Natural Resources, in a news conference in Rawalpindi recently. He also disclosed that the investment during the First Five-Year Plan amounted to $388,655,000. During the Second Plan period, the industrial sector claimed an investment of $1,449,580,000. The Third Five-Year Plan projected an investment of $2,680,672,000 against which sanctions amounting to $1,260,504,000 were issued during the first three years of the Plan.

He expressed satisfaction at the rate of progress in industry. "We have achieved self-sufficiency in most of the consumer goods like drugs and medicines, vegetable oil, cement, paper and newsprint, pesticides and insecticides. We are producing a good deal of our requirements of agricultural machinery, trucks, cars and scooters."

He added that the progress of industrial sector could be gauged from the fact that Pakistan was now earning sufficient foreign exchange through the export of manufactures, which constituted 45 per cent of total exports as against 10 per cent in 1957-58.

(**Pakistan High Commission,** New Delhi)

[Prev. ref. 8610:PAK:F]

G. **Mineral Production:** The Director-General of the Geological Survey, Dr. Mohsinul Haq, said in Quetta recently that Pakistan was rich in mineral resources and besides meeting its own requirements, was exporting large quantities of barite, chromite and gypsum to a number of countries.

He said that Pakistan was fairly self-sufficient in iron-ore "on which our steel would be based." "We have about 500,000,000 tons of iron-ore deposits, the largest being in Chichali, Kalabagh area, and a large quantity of coal, dolomite, flourite and limestone, the allied minerals which are to be used in steel manufacture."

The country had 1,050,000,000 tons of coal reserves. The largest deposit of about 700,000,000 tons of coal had been found in Rajshahi-Bogra area of East Pakistan. In West Pakistan, these deposits amounted to 363,000,000 tons. The largest deposit amounting to about 170,000,000 tons had been located in Lakhra area in former Sind.

(**Pakistan High Commission,** New Delhi)

SAUDI ARABIA

A. **Budget For 1968-69:** King Feisal issued on September 23, 1968 a Royal Decree endorsing the State Budget for the fiscal year 1968-69, the largest national Budget in the country's history.

Both revenue and expenditure during the new fiscal year were estimated at 5,535,500 million Riyals.

The Minister of Finance and National Economy was authorized to secure from local loans and public savings the sum of 630 million Riyals representing Saudi Arabia's financial commitment towards certain Arab countries which suffered from the Israeli aggression in June, 1967.

The balance of the Economic Development Fund brought forward from previous years was added to the allocations for this year's projects.

The Decree also dealt with the procedure for the collection of revenues, spending of public funds, transfer of appropriations from one chapter to another, appointment and promotion of Government officials, the reserve funds system and other routine instructions.

King Feisal issued a number of other decrees endorsing budgets of public institutions and semi-official agencies.

(**News From Saudi Arabia**)

[Prev. ref. 8046:SUA:A]

B. **Accord With Iran—Shah's Visit:** Under the banner of Muslim solidarity, Islam's two most powerful monarchs set aside their differences on November 11, 1968 and declared that the time had arrived when all the "faithful should stand together against the common enemy."

The call came at a dinner given by King Feisal for his guest, the Shah of Iran, in the massive, marble dining hall of Almazar Palace. White-robed princes and shaikhs and Iranians, from the Shah's 80-strong retinue, in tails and glittering sashes acclaimed their rulers' accord.

As the Shah of Iran agreed in reply to his host—the protector of Islam's two holiest shrines who nevertheless prefers to be known as the servant of his people—the time had come for co-operation among Muslims.

It seemed that at last a gentlemen's agreement between the two—certainly not a signed pact but a rapport—had all but arrived.

One of their more pressing problems—that of off-shore boundaries which brought an Iranian gun-boat out against an Aramco rig in February, 1968—has at last been solved.

In fact an Agreement between the two countries on the median line in the Gulf and the share-out of oil discovered in the disputed area (a field found by the Saudis in the north of the Gulf, ten per cent of which is in the Iranian seabed) was being ratified by the Iranian Council of Ministers.

The Agreement also settled a dispute over two islands in the south of the Gulf, one of which is in Iranian waters, the other in Saudi Arabia's.

The Shah's arrival earlier in the day had been to a 21-gun salute as his jet touched down precisely at 11 a.m., the appointed time, and he stepped on to the dust-swept tarmac of Riyadh airport. The welcoming party consisted of white-robed court Ministers, the Diplomatic Corps and a number of officers from the Saudi armed forces.

The National Anthems played as the two monarchs stood side by side and a flight of Saudi Air Force Sabres flew in victory formation across the sky.

In between his discussions with King Feisal, the Shah visited Mecca and Medina, Islam's two holiest cities, and spending the last four days of his six-day visit in the coastal city of Jeddah.

(**The Times,** London)

[Prev. ref. 8429:SUA:A]

SINGAPORE

A. **Hanging Of Two Indonesian Prisoners:** Two Indonesians, Osman bin Haji Mohammed Ali and Harun bin Said, aged 23 and 25, were hanged in a Singapore prison on October 17, 1968 after the Government had rejected a clemency plea by President Suharto.

The Government, in a statement, explained why it had not found it possible to accede to appeals for clemency from the Indonesian President and the Malaysian Prime Minister, Tengku Abdul Rehman, in the cases of the two condemned men. It claimed that the two men were responsible for three deaths and injury to 30 people by causing an explosion during the days of "confrontation."

It said that Singapore had always shown understanding and sympathy towards the Indonesian Government's position in dealing with problems arising from the previous regime's policy of confrontation. The desire for the closest relations with the Indonesian Government had prompted a compassionate view of Indonesians involved in offences where no loss of life had occurred. As a result, 43 detainees had been released on December 24, 1966.

Two other men sentenced to death for planting a time-bomb, which exploded but caused no loss of life, had been released in 1967 and returned to Indonesia. Singapore rejected the contention that the two executed men were members of the Indonesian armed forces, entitled to treatment as prisoners of war. This point had been extensively argued in the courts and rejected by them. The final instance was in the judicial committee of the Privy Council.

According to Singapore reports, the Government decided to risk the consequences of the executions for the following reason: the sort of threat it expected was not invasion, but infiltration and sabotage of the kind these two men were said to have perpetrated. It was maintained that killers should be left in no doubt that they faced the full rigour of the law.

Indonesian Reaction:

The executions provoked violent reactions in Indonesia. Demonstrators rampaged through the Singapore Embassy in Djakarta. The Ambassador, Mr. P. A. Raman, had to be escorted to safety.

The demonstrators forced their way into the home of the Singapore Embassy Counsellor, wrecked all the furniture, and broke the glass. Troops later stood guard around the piles of burning rubble at the house.

At the home of the Embassy's Commercial Secretary, the students smashed wall carvings and emptied cushions of their stuffing. The entire Embassy staff had earlier left their homes.

The violence broke out after 10,000 Indonesians packed the airport as the bodies were flown in from Singapore on board an Indonesian Air Force aircraft.

Admiral Muljadi, chief of the Indonesian Navy, received the bodies at Djakarta airport in a quadrangle formed by students, soldiers and Marines. The coffins were then taken in ambulances decked with wreaths, and bearing the dead men's photographs, to lie in state at the Defence Ministry, A big motor cycle escort accompanied the ambulances. Later, the bodies were buried with military honours.

(**Straits Times,** Singapore and **The Times,** London)

[Prev. ref. 8382:SGP:C]

B. **Clean-Up Drive:** The Government is making a determined effort to see that the city State is the "cleanest and greenest in South Asia." Ministers have been out in their constituencies, basket or spike in hand, leading mass assaults on litter and refuse.

The Government radio and television exudes jingles, there are stickers on cars and envelopes, banners across streets, and posters everywhere in all four official languages with the message: "Keep Singapore Clean."

Such a campaign implies a confidence both in public organization and in an ability to inspire social discipline that staggers many visitors. In nine years of running their own affairs they have not only maintained but have adapted and expanded good standards of public utilities administration. From the outset, the ruling People's Action Party has specialized in inculcating community spirit in a mass of voluntary and semi-voluntary bodies.

(**The Times,** London)

SOUTH YEMEN

A. **Co-ordination Of Defence Policies With Yemeni Republic:** A joint **communique,** issued in Aden and Sana'a on August 3, 1968, said that South Yemen and the Yemeni Republic would co-ordinate the defence policies of the two countries "to counter imperialist and reactionary plots and challenges against them."

The **communique** came at the end of a week-long visit to Yemen of a South Yemeni delegation headed by the Foreign Minister, Mr. Seif el Dhalei.

The two sides pointed out the importance of financial, economic, commercial and information cooperation between them. They agreed on co-ordinating their industrial policies and combating smuggling.

On his return to Aden on August 3, Mr. Seif el Dhalei said that the Yemeni Government had expressed readiness to strike at the concentrations on the southern borders of Yemen. There would be co-ordination between defence officials in both countries.

The Yemeni Government told him that it had ordered Sultan Ahmed Abdulla el Fadhli and Emir Gaber Ben Hussein el Awazaly out of Yemeni territory. The Government of Yemen had also pledged to prevent any South yemeni from carring out subversion and political activity against South Yemen including making statements to the Press. It had also pledged to arrest and expel all the South Yemenis who took part in the recent plot.

(**The Egyptian Mail,** Cairo)

[Prev. ref. 8541:SYM:A]

B. **Soviet Military Aid:** Radio Aden reported on August 29, 1968 that the Soviet Union would provide military and technical assistence to South Yemen under a new Agreement.

The **Radio** said the Agreement was signed earlier in the day by the South Yemen Defence Minister, Mr. Mohamed Saleh Al Aulaqi, and the Soviet Ambassador to South Yemen, Mr. Vladimir Startsev.

Mr. Aulaqi said the Agreement was considered part of the military and technical assistance the Soviet Union was providing South Yemen "in support against imperialist and reactionary pressures on the country." These pressures had begun with the suspension of British aid and had developed into the recent rebellion.

A Soviet military delegation had visited Aden in March, 1968 after a South Yemen military delegation had been to Moscow to obtain Soviet arms for the armed forces.

(**The Egyptian Gazette,** Cairo)

[Prev. ref. 8099:SAF:A]

SYRIA

A. **Cabinet Re-shuffle & Its Implications:** The Cabinet was reshuffled on October 29, 1968.

The two men involved were Gen. Salah Jedid, Commander-in-Chief and 'strong man' of the Ba'ath Party, and Gen. Hafez Assad, Defence Minister and Commander of the Air Force. The two prominent casualties were the Premier, Dr. Youssef Zeayen, and the Vice-Premier and Foreign Minister, Dr. Ibrahim Makhous.

Dr. Zeayen made his debut as a protege of Gen. Amin Hafez, who became President of Syria after the Ba'athist **coup** of March, 1963. He rose to be Premier in September, 1965, but stayed on for barely four months because he was soon out of favour with Gen. Hafez. He joined hands with Gen. Jedid and Gen. Assad to overthrow the Hafez **regime** in February 1, 1966. In a country where **coups** are frequent (nine successful ones since 1949), the significance of that event was that it rent the Ba'ath Party into two.

Dr. Zeayen became Premier again and brought in his friend of the university days, Dr. Makhous, as Deputy Premier and Foreign Minister. Gen. Jedid became boss of the armed forces and the party and Gen. Assad was given the Defence portfolio and command of the Air Force. The two officers quarrelled when things were quiet and worked together when the **regime** faced a crisis, as at the time of the two **coup** attempts in September, 1966. The only exception appeared to be when the "old" Ba'ath came to power in Iraq in July, 1968.

Some two months earlier, there were reports that differences had arisen between Gen Jedid and Dr.

Zeayen and the way for the Premier's ouster would be paved at the Ba'ath Party Congress. When the party meeting, often postponed because of other confusing differences between various personalities, was finally held, Gen. Assad launched a broadside against Dr. Zeayen for taking the country into awkward isolationism and into a too-close relationship with Russia. Dr. Zeayen was known as Moscow's man in Damascus.

Gen. Jedid suddenly decided to back Dr. Zeayen and almost as illogically Gen. Assad adopted Dr. Makhous as his protege, although he was equally responsible for Syria's Arab and foreign policy. Gen. Assad forced the pace of political developments by taking the issue from the "regional" command, where he was weak, to the nominally-existing National Command.

It was the supervention of the National Command of the undivided Ba'ath in January, 1966 which weakened Gen. Jedid's hand and cost Dr. Zeayen his Premiership. Gen. Jedid had to stage a **coup** a month later to retrieve their positions.

Cabinet Change:

The National Command decided that there should be a Cabinet change. In a patch-work compromise, the Jedid and Assad factions drew up a new list, from which both Dr. Zeayen and Dr. Makhous were dropped. Although Dr. Nuruddin Attassi, nominal Secretary-General of the party and figure-head President, also belonged to the Zeayen-Makhous line of thinking, the National Command stopped short of removing him too because it did not want the whole thing to appear as a "change of **regime**" instead of a Cabinet re-shuffle. In the eyes of the "old" Ba'athists, the **regime** had already lost its "legitimacy" through the overthrow of Gen. Hafev's Presidency.

The 25-man Cabinet retained the fiction of a "national front" Government by including in it two "socialist trade unionists," four "independent progressives" and one communist. The communist member was Mr. Wasel Feisal. He holds the Communications portfolio, which has traditionally been given to a communist because most communication projects in Syria are Soviet-financed. He is the brother of Mr. Youssef Feisal, who replaced the veteran communist, Mr. Khalid Bakdash, as Secretary of the Party a few months earlier.

Among the notable changes was the appointment of the tough former Interior Minister, Mr. Mohammed Eid Ashawi, as Foreign Minister. Mr. Ashawi was succeeded by Col. Rabah al Taweel, Chief of the Popular Army.

[The Workers' and Peasants' Militia was an innovation after military intelligence, once under Col. Abdul Kerim Jundi, was discredited for getting "soft." Eventually, all the Jundis, once a powerful family, were discredited. Mr. Khalid Jundi, General Secretary of the Labour Federation, was arrested and Mr. Samir Jundi, Ambassador to France, was dismissed and arrested for allegedly writing a pro-Israeli book in contravention of Foreign Service regulations.]

A new feature of the Cabinet was the creation of three posts of Deputy Defence Minister under Gen. Assad. They are the Army Chief of Staff, Maj-Gen. Mustafa Tlas, Air Vice-Marshal Louis Al-Dakr, and Maj.-Gen. Awad Ali Al Rashid. Whether Gen. Jedid or Gen. Assad will have the upper hand in the long run will depend on where the personal loyalties of Col. Taweel and Gen. Tlas lie.

Pilots' Escape:

Only three months earlier, two pilots of the Syrian Air Force "strayed" with their MIG-17s into Israel. This was an unsought prize for the Israelis who were humiliated by the hijacking of an El Al airliner by Palestine commandos.

A fortnight later, more than a dozen Syrian pilots escaped with their planes into Iraq after a **coup** attempt had failed. The attempt was made by Gen. Sweidany, who was replaced as Army Chief of Staff by Gen. Tlas. He too fled, with 185 officers and men, to Iraq, where "old" Ba'athist leaders like Gen. Hafez and Mr. Michael Aflaq are planning the overthrow of the "new" Ba'athist **regime** in Syria.

A few weeks later, Gen. Assad made a hush-hush journey to Baghdad to ask for the return of the planes and also to try for a **rapprochement** between the two wings of the Ba'ath. On both counts, the mission was a flop. The "old" Ba'athists insisted that as a price for reconciliation, Syria must take back Gen. Hafez as President to restore the "legitimacy" destroyed in the 1966 **coup**. Gen. Assad was completely opposed to the re-instatement of either Gen. Hafez or Mr. Aflaq.

The Cabinet re-shuffle has one other major significance. It completed the destruction of the civilian facade of the Ba'ath, which was born as a great intellectual movement. Both the "old" Ba'ath in Iraq under Gen. Hassan Al Bakr and the "new" Ba'ath in Syria under Gen. Assad and Gen. Jedid now wear khaki. The blame lies with the veteran civilian leaders.

Mr. Aflaq, one of the founders and chief theoretician of the Ba'ath, once said: "I am the only Ba'athist and I am going off to Brazil." He is back now, only to find the Ba'ath in the same mess as he left it in. At the time of the first Ba'athist **coup** in Syria in 1963, the Party had barely 200 members. The leaders made two basic and complementary mistakes: (a) to resort to Army help as an easy way to power instead of facing the difficult task of popular organization; and (b) to drag the Army into their own quarrels.

It was not long before they realized that the Army was using them instead of their using the Army as an indoctrinated pillar of their ideology. So, it is Gen. Jedid and/or Gen. Assad in Syria and Gen. Bakr and/or Gen. Ammash in Iraq, with their civilian hangers-on.

(**The Times of India,** Bombay)

[Prev. ref. 8641:SYR:A]

B. **Arab Lawyers' Conference:** The 10th Arab Lawyers' Conference, which ended in Damascus on September 9, 1968, resolved that it was necessary to place Arab petroleum at the service of the Arab battle of destiny.

The Conference called for liquidating all foreign military bases in the Arab homeland. It denounced the "crime of secession" which had occurred between Syria and Egypt and said it was an outrageous crime that "had prepared the way for the June 5, 1967 aggression by Israel."

It greeted the peoples and Governments of the friendly socialist countries with the Soviet Government at the top for their support to the movement of the Arab Revolution. It asserted the Arab people's rights to all captured territories of the Arab homeland. Further, it greeted the struggle of the Arab people in North and Southern Yemen, in the Arab Peninsula and in Oman against the "schemings of imperialism and reaction." It denounced the imperialistic machinations designed to obliterate the Arabism of the Gulf, especially Bahrain and Oman.

The Conference deplored the "defeatist attitude" taken by the Government of Tunisia and condemned Tunisia's rulers for resisting the goals of the Arab Revolution and for seeking peace with the enemy.

It called for setting up an Arab Army with a united command. It resolved that the armies of UAR, Syria and Iraq, alongside the masses of the Arab nation, were fully responsible for protecting the Jordanian front.

(**Baghdad Observer**)

[Prev. ref 7795:ISR:A]

C. Arab Pharmacists' Congress: The Minister of Health, Dr. Zakaria Khayyata, opened in Damascus on September 23, 1968 the first Congress of Arab Pharmacists.

The opening ceremony was attended by leaders of the Arab Ba'ath Socialist Party, Ministers, senior officials and members of the diplomatic corps.

In a speech opening the Congress, Dr. Khayyata called for "increased Arab co-operation and action to face Zionist and imperialist plans," and said he hoped the Congress would achieve its aims of strengthening the links of Arab pharmacists.

About 350 pharmacists from Algeria, the United Arab Republic, Sudan, Lebanon, Jordan, Iraq, Kuwait and Syria took part in the six-day session.

Seventy-two papers were read at the Congress and meetings held to discuss the creation of an Arab pharmaceutical common market. The Congress also discussed means to guard against bacteriological weapons and chemical warfare equipment and their use in war.

(Baghdad Observer)

TURKEY

A. NATO Ties Defended: Addressing a news conference in Ankara on September 20, 1968, the Prime Minister, Mr. Suleyman Demirel, said that Turkey had joined the North Atlantic Treaty Organization (NATO) "not by sacrificing her independence but, on the contrary, to defend her independence more effectively."

He said the "NATO pact is a collective security and defence pact set up by nations against the threat of aggression."

He brushed aside the growing criticism against NATO in his country which came into focus during the visit of the American Sixth Fleet ships to Istanbul and Izmir and said: "Certainly a country has to have sufficient power and resources to safeguard its sovereignty, territorial integrity and independence."

Regarding the visit of the Sixth Fleet, he said America was a friendly country and an ally of Turkey and the visit was an "entirely normal and usual occurrence." Ships from any friendly country could visit Turkey and Turkish ships could go to that country.

Turkey, he said, was as independent as any of the 15 NATO member-countries "which share the belief in free and independent living." He added that Turkey was an honourable member of NATO of her own will and desire. "The Turkish nation has enough commonsense and historic experience not to fall into the trap of being isolated from the free world and its common might which supports independence."

Under NATO, his country had committed herself to some requirements of joint defence like other members of the pact and he said that "to interpret them as jeopardizing her independence can only mean being a tool of the ideas of those who want to throw Turkey into danger."

(The Pakistan Times, Lahore)

[Prev. ref. 6936:TUR:A, 8369:TUR:A]

VIET-NAM (DR)

A. Aid Agreement With Soviet Union: Tass reported on November 27, 1968 the signing of an Agreement in Moscow providing for Soviet civil and military aid to North Viet-Nam in 1969.

The news agency said the agreement was concluded at the end of talks between Soviet officials and a Viet-Namese delegation led by the Vice-Premier, Mr. Le Than Ngi.

An official **communique** said the Agreement covered both free aid and long-term credits "as well as documents on some other questions of Soviet-Viet-Namese co-operation."

It added that the Agreement "envisaged delivery by the Soviet Union during 1969 of food, oil products, transport facilities, complete industrial plant, ferrous and non-ferrous metals, chemical fertilizers, ammunition and other equipment necessary for the strengthening of the Democratic Republic of Viet-Nam's defence potential and the development of its economy."

Under the Agreement signed in 1967, the Soviet Union had promised to supply North Viet-Nam with warplanes, anti-aircraft guns, missiles, artillery and other weapons. **Tass** did not disclose the amount of aid covered by the 1969 Agreement but, according to American estimates, Soviet aid to Hanoi totalled about $1 billion in 1967 and was greater in 1968.

(Tass and **International Herald Tribune,** Paris)

[Prev. ref. 7766:VND:C, 8531:RVN:A]

YEMEN

A. Military Governor Named: According to an official decree, Lt-Gen. Hassan el Amry, the Commander-in-Chief, has been appointed Military Governor empowered to re-organize the Armed Forces.

Mr. Abdul Rahman el Iryani, Chairman of the Republican Council, disclosed the decree at a mass rally held at the Consultative Council on September 7, 1968 in the presence of representatives of different tribes. He called for national unity at the present stage in Yemen to safeguard the country.

Tribal representatives affirmed in their addresses their loyalty to the Republican Council and to the Government, and announced their full support to the measures taken by the Government to safeguard the Revolution and the Republican system.

(The Egyptian Gazette, Cairo)

[Prev. ref. 8573:YEM:A]

B. Royalists Crushed In Northern Region: Col. Ali Boulchoum, Governor of Yemen, claimed in Sana'a on November 10, 1968 that the Republic's northern area had been purged of royalists after a fierce battle.

He claimed that the royalists had lost 200 men. He said his regular and tribal forces had driven off supporters of the deposed Imam from their mountain strong-hold. The royalists were fleeing into Saudi Arabia, and the Imam was reported to be with them.

(The Hindustan Times, New Delhi and **Sana'a Radio)**

[Prev. ref. 8178:YEM:A]

C. NLF Merger With El Fatah: It was announced in Cairo on September 22, 1968 that the National Liberation Front (NLF) had united with El Fatah, the Palestine liberation movement in Israeli-occupied Arab territories.

A statement by the NLF said that all political and military leaders as well as the entire armed forces had been integrated into El Fatah.

The statement appealed to all resistance movements to become conscious of their historical responsibility and to follow this example.

(Baghdad Observer)

[Prev. ref. 8483:ISR:E, 8637:JOR:A]

SPORT

A. Car Marathon Results: A Scottish rally driver, Mr. Andrew Cowan, won the £10,000 London-to-Sydney car marathon in Sydney on December 17, 1968 after a dramatic crash had robbed the Belgian Le Mans ace, Mr. Lucien Bianchi, of almost certain victory.

First across the finishing line in Sydney was an Irish driver, Mr. Paddy Hopkirk, whose BMC-1800 was placed second behind Mr. Cowan's Hillman Hunter.

In their drive across three continents, Mr. Hopkirk's Leyland-BMC entry had 56 penalty points, six more than the Hillman official entry of Britain's Rootes group. Thirty of the 60 surviving cars had arrived at the Sydney check-point in the six hours since the leaders checked in.

A team of Australian Ford Falcons won the three-car teams event. Rally officials said that provisional placings put the Ford Falcons well clear of the second-placed BMC-1,800s.

The three Falcons, driven by Mr. Harry Firth, Mr. Ian Vaughan and Mr. Brian Hodgson, lost 246 points on the 10,600-mile rally. British drivers, Mr. Paddy Hopkirk, Mr. Rauno Altonen and Mr. Tony Fall had 554 penalty points in the BMC-1,800 team. These were the only three-car teams to have checked in at the control point nearly five hours after the official arrival time.

The unluckiest man of the race was Milan-born Mr. Lucien Bianchi, whose leading British-entered Citroen DS-21 crashed only about 100 miles from the check line. Bianchi was sleeping when his co-driver, Mr. Jean Ogier, collided head-on with a small private car.

Britain's Mr. Roger Clark dashed his chances of winning the rally early on December 17, 1968 when he broke down between Omeo and Bruthen in the Victoria State alpine country. Mr. Clark's Lotus Cortina developed differential (axle) trouble and he limped into Bruthen. At the time he was among the first three in the rally.

Placings:

The following are the placing in the car marathon, sponsored by the London's **Daily Express** and Sydney's **Telegraph:**

(1) Hillman Hunter, A. Cowan (Britain) 50 points lost.

(2) BMC-1,800, P. Hopkirk (Britain) 56.

(3) Ford Falcon GT., I. Vaughan (Australia) 62.

(4) Porsche 911-S, S. Zasada (Poland) 63.

(5) BMC-1800, R. Altonen (Britain) 68.

(6) Ford Falcon GT, B. Hodgson (Australia) 70.

(7) Ford 20 MRS, H. Kleint (West Germany) 91.

(8) Ford Falcon GT, H. Firth (Australia) 114.

(9) Citroen DS 21, R. Neyret (France) 125.

(10) Ford Lotus Cortina, R. Clark (Britain) 144.

(11) Volvo 144 S, K. Tubman (Australia) 148.

(12) Holden GTS, B. Ferguson (Australia) 169.

On December 14, 1968, the British ace driver, Mr. Roger Clerk had led the field out of Perth for the final gruelling leg across Australia. Mr. Clark had lost only 11 points on the stretch from London to Bombay.

Earlier, only 75 out of the 98 cars participating in the marathon arrived in Bombay on December 4, 1968. Of these, only 70 qualified for the onward trip to Fremantle by ship to drive across Australia and complete the rally.

Event To Be Held Every Four Years:

It was announced in Sydney on December 17, 1968 that the London-to-Sydney 10,000-mile car marathon would be held every Olympic year.

The decision to hold it every four years was made over a handshake by the Chairman of the Board of Beaverbook Press, Sir Max Aitken, and Sir Frank Packer, Chairman of Consolidated Press, Sydney, co-sponsors of the 1968 rally.

(**Telegraph**, Sydney, **Daily Express**, London and **The Statesman**, Calcutta)

B. World Tennis Rankings: Australia's Rod Laver ranks as the top male player and Mrs. Billie Jean King of USA as the top woman star in balloting for the 44th annual world tennis rankings, announced in New York on October 31, 1968.

The top 10 men were:

Laver, Arthur Ashe (US), Tom Okher (Netherlands), Ken Rosewall (Australia), John Newcombe (Australia), Tony Roche (Australia), Cliff Drysdale (South Africa), Pancho Gonzalez (US) and Denis Ralston (US).

The top women were:

Mrs. King, Nancy Richey (US), Margaret Court (Australia), Virginia Wade (England), Ann Jones (England), Judy Tegart (Australia) Maria Bueno (Brazil), Annette Du Plooy (South Africa), Lesley Bowrey (Australia) and Rosemary Casals (US).

(**The New York Times**)

[Prev. ref. 8534:SPO:A]

C. USA Wins Inter-Zone Davis Cup Final: The United States beat India 4-1 in the Inter-Zone Davis Cup final in San Juan (Puerto Rico) on November 11, 1968 to qualify to meet Australia in the Challenge Round.

The Americans won both reverse singles. First Arthur Ashe beat India's Ramanathan Krishnan 6-1, 6-2, 6-3, to give USA a winning lead. Then Clark Graebner defeated Premjit Lall 9-11, 9-7, 7-5, 6-4 in the final match, which was only of academic interest.

Ashe was clearly superior to Krishnan in all phases of the game. His blistering services and powerful net play gave the Indian no chance to even the tie for his country. Krishnan whose service seldom worked at its best, said later he had been troubled by an old wrist injury which had flared up again. His racket wrist was heavily taped.

Lall could seldom match Graebner's all-round power and court craft in the final singles, though he made the American fight hard to the end.

On November 9, Krishnan had defeated Graebner in the opening singles to win 7-5, 4-6. 6-2, 6-1, whereas Premjit Lall lost to Ashe 6-2, 5-7, 6-2, 6-4.

The following day, Bob Lutz and Stan Smith gave USA a vital 2-1 lead by defeating Krishnan and Jaideep Mukherjea 6-2, 6-3, 6-2. On the final day, USA clinched its victory by winning both reverse singles.

(**The New York Times** and **The Times of India**, New Delhi)

[Prev. ref. 8667:SPO:A]

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INDIA

SUMMARY: Visits By Mr. Michael Stewart And Mr. D. Senanayake; Talks With Pakistan On Farakka Project; Mr. Dinesh Singh On Economic Co-operation In Asia; FICCI On Fourth Plan; Fundamental Rights Amendment Bill; Essential Services Maintenance Bill Passed; Haryana Congress Survives Crisis; Review Of Indian Cinema.

A. Mr. Michael Stewart's Visit: The British Secretary of State for Foreign and Commonwealth Affairs, Mr. Michael Stewart, arrived in New Delhi on December 2, 1968 on an eight-day visit to India with a view, as he said, to put "Indo-British relations on a mature basis suitable to the positions of our two countries."

The Minister of State for External Affairs, Mr. B. R. Bhagat, welcomed him at Palam airport and said that Mr. Stewart would "find a favourable echo on our side."

In their opening speeches at the talks held with top officials on both sides. both Mr. Stewart and Mr. Bhagat spoke of the need for a fresh basis for Indo-British relations and said that they should be based on the realities of the present situation and on matters concerning the two countries only. Mr. Bhagat welcomed Mr. Stewart's re-affirmation that Britain did not consider it her right or duty to meddle with Indo-Pakistan problems since he had been told that the prospect of a third-party intervention made Pakistan more intransigent.

Mr. Stewart explained what he felt would form the basis of Britain's new role in world affairs. He pointed out that her economic problems and specially her balance of payment's difficulties made her unable to play as big a role as she had done in the past. It meant that she would have to concentrate her efforts on Europe, and this explained her decision to withdraw militarily from east of Suez. Her economic position also made it necessary for her to enter the European Economic Community; this would not harm India and other developing countries; on the other hand, they would gain the benefits of an expanded market.

On the Rhodesian issue, Mr. Stewart explained the **Fearless** proposals, ahd said Britain felt that the policy of sanctions against Rhodesia should be pursued, as this would bring results. Other subjects discussed included West Asia—where both sides felt an early re-opening of the Suez Canal to be desirable—and Viet-Nam. Mr. Stewart also explained Britain's position in the new setup in the Persian Gulf and Gibraltar. He also dealt with the problems created by immigration.

On December 3, 1968, the Indian delegation re-emphasized that problems between India and Pakistan must be resolved on bilateral basis. Mr. Stewart re-affirmed his earlier statement that Britain had no intention to interfere in Indo-Pakistan affairs unless both sides wanted it and if Britain felt she could do something helpful.

The Indian side was understood to have stated that the racist white minority **regime** in Rhodesia could not be liquidated without the use of force. This view, was, however, not shared by the British delegation, which felt that economic sanctions would have the desired results, thought it might take time.

The advisers and officials of Indian and British Ministries picked up the thread of discussions on December 4. There was general agreement on many of the issues discussed, the notable exception being the Rhodesian issue. Both were, however, unanimous in their denunciation of the proposed execution of 32 African nationalists by the Smith **regime.**

[Mr. Alfred Nzo, chief representative of the African National Congress, had appealed to the Government of India to raise the question of the safety of the condemned African fighters with Mr. Stewart. The Lok Sabha's protest at the rejection of the mercy petition of 36 African freedom fighters sentenced to death by the Smith **regime** was conveyed to the British delegation at the talks].

The two delegations discussed the possible consequences of Britain entering the European Economic Community. The British delegation explained that Britain's entry in the EEC did not mean turning her back on the Commonwealth and that it would be Britain's endeavour to secure, on an enlarged basis for the Commonweath countries, trade preferences that were available to them at present.

The implementation of immigration laws was also discussed and India was informed that Britain proposed to enact further legislation covering the problem of immigrants so that areas in Britain that were socially, educationally and economically backward—in relative terms —could receive special attention.

Mr. Stewart also visited Madras, but cancelled his proposed visit to Bombay due to "pressing Parliamentary business in connexion with the foreign affairs debate which has now been fixed for the next week".

He left India on December 8, 1968.

(The Times of India and **The Statesman,** New Delhi)

[Prev. ref. 6902:INI:F, 8470:INI:C]

B. Mr. Dudley Senanayake's Visit: The Premier of Ceylon, Mr. Dudley Senanayake arrived in India on a goodwill visit on November 27, 1968.

Mr. Senanayake announced on November 28, 1968 that persons of Indian origin to be repatriated under the 1964 Indo-Ceylon Agreement would not be required to purchase the foreign entitlement certificates in Ceylon to remit their earnings and savings to India. The provision thus freed Indian repatriates of the financial loss due to the devaluation of the Ceylonese rupee, and the payment of 45 per cent as premium on monies to be remitted. The 525,000 State-less persons of Indian origin due for repatriation would be able to remit their assets to this country to the extent of Rs. 75,000 (Ceylonese) each and at the pre-devaluation rate of exchange.

In the course of the talks between Mrs. Indira Gandhi and Mr. Senanayake, which began on November 28, 1968, India agreed to send two agricultural experts to help Ceylon grow more pulses, while Ceylon offered facilities for the study of its crop insurance scheme and the method of growing high-yielding varieties of coconuts. Ceylon would be sending to India a delegation of Govirajas (the equivalent of Krishi Pandits in India.)

The two Prime Ministers agreed that there should be close co-operation between the two countries in the economic and agricultural spheres and in the marketing of tea. The Governments of the two countries had already agreed "on a common approach to the marketing of tea abroad, with the object of obtaining for themselves a better share of the price paid for tea."

There was also discussion on Kachchativu to evolve a flexible formula for settling the whole range of territorial, navigational and fishing rights in the Palk Bay and the Gulf of Mannar. If Ceylon decided to extend the limit of its territorial waters from the present six miles to 12 miles, as India had already done, it would be necessary to draw a new medial line to determine the maritime jurisdiction of the two countries as their territorial seas. It would then be easier to resolve the Kachchativu issue by determining its location either on the Indian or the Ceylonese side of the medial line. This would also avoid an examination of the historical rights and claims of the two sides to the island.

Apart from these bilateral issues, they discussed a number of international issues, specially Rhodesia, the Commonwealth Conference of Prime Ministers and the proposed non-aligned **summit** meeting. There was unanimity of views on these issues. They expressed the need to liquidate speedily the racist white-minority **regime** of Mr. Ian Smith in Rhodesia. Both were of the view that there should be "adequate preparation" before holding a non-aligned Conference.

The talks were continued on November 29, 1968. Mr. Senanayake expressed doubts about the regional economic co-operation idea which India was propagating. He thought that the idea was a "desirable object", but due to bitter differences among some countries of the region, the idea did not appear to be feasible. He was, however, keen that the region should remain "an area of peace".

Mr. Senanayake was the guest of honour at a dinner on November 28, 1968 given by Mrs. Gandhi.

The Ceylon High Commissioner held a reception in his honour on November 29, 1968. He called on the President of India on November 29, 1968 and had dinner with him.

Earlier, on November 28, 1968, Mr. Senanayake visited the Mahabodhi Society of India and addressed the gathering at the Buddha Vihara. Referring to the message of Buddhism which Ceylon had received from India, he said that Buddhism was dying a slow death in the land of its birth. "It is only befitting that having received the valuable gift, Ceylon should endeavour to gift it back to India."

The Joint Communique:

A joint **communique** issued at the end of the talks expressed the "common resolve" on the part of the two countries to approach the problem of Kachchativu island in a spirit of friendly co-operation and in the broader perspective of territorial waters jurisdiction.

The **communique** reviewed the Indo-Ceylon Agreement of 1964 relating to the repatriation of settlers of Indian origin and referred to the financial arrangements for repatriates, announced earlier. It also dealt with the proposals of closer co-operation between the tea industries of the two countries.

It recorded the agreed views of the two Prime Ministers that "other measures, not excluding the use of force, might become necessary if economic sanctions failed to end the illegal racist **regime** in Rhodesia."

Before leaving for home from Bombay on December 4, 1968, Mr. Senanayake held a news conference at which he expressed confidence that "in the very near future, the two countries will be satisfactorily solving not only the Kachchativu issue but certain other problems also in the Palk Straits."

He said that his visit to India was extremely useful and important for his country. He specially referred to his visit to the multi-purpose Bhakra-Nangal Project in Punjab and said that he was much struck by the valuable work in agricultural research done at the Pusa Institute. He appreciated the tremendous efforts India was making to step up its agricultural production.

(**The Hindustan Times** and **The Times of India,** New Delhi)

[Prev. ref. 8000:CEY:A, 8624:CEY:C]

C. USSR's Assurance On Bokaro Steel Project: In a Protocol signed in New Delhi on December 10, 1968 with the Government of India, the Soviet Union assured the timely supply of essential equipment to complete as near to schedule as possible the first stage of the Bokaro Steel Project with a production of 1.7 million tonnes by 1971-72.

The Protocol also provides for expert Russian assistance to help heavy engineering units maintai production targets.

On two major issues, the Government of India failed to obtain de nite commitments from the Sovi Union. It was known that India ha been keen on securing a firm Sovi commitment that it would underta to import some of the products o the heavy engineering unit. Instea of a definite undertaking in this regard, the Soviet Union apparently expressed only its willingness t consider the matter further.

(**The Hindustan Times,** New Delhi

[Prev. ref. 8284:INI.H]

D. Trade Protocol With Russi India and the Soviet Union sign ed a Protocol in Moscow on Dec ember 20, 1968 for a trade pla for 1969 under which the tw countries would exchange ne items other than traditional one as in the past years.

India's exports to the Sovie Union under the new Protoc would be of the order of Rs. 1 crores, an increase of 20 per ce over exports in the current year.

(**Tass** and **The Hindu,** Madra

[Prev. ref. 8138:INI:L]

E. Loans From Canada: By a Agreement signed in New Del on December 10, 1968, India wi receive two loans totalling $3 million from Canada for the pur chase of fertilizers and other es sential commodities from th country.

With these two loans, Canada ha honoured its commitment to giv India development assistance tota ling $38 million in the current fi ancial year. The loans are free o interest and are repayable over a period of 50 years with a gra period of ten years.

(**The Times of India,** New Delh

[Prev. ref. 8249:INI:C]

F. Talks With Pakistan On Far akka Project: The five-day Ind Pakistan Secretary-level talks o Farakka and other projects ende in New Delhi on December 1 1968 and yielded no results th could warrant expectation of a early settlement of the dispute.

The only tangible outcome of th talks was an indication by the Pa istani side of its willingness to pr vide certain essential data whi it had withheld so far.

The two sides failed to reconc

the differences in regard to the hydrological data so far exchanged. Although some progress was reportedly made in technical changes, this work could not be completed.

Informed sources claimed that "partial agreement" had been reached on certain issues.

It was announced that the Secretaries of the two Governments would meet again at Islamabad on March 18, 1969 to continue the talks.

The intervening period would be utilized for examination of data exchanged at the current talks and clarifications that may be furnished during this period.

A joint **communique** issued at the conclusion of the talks said: "Both sides attach great importance to expediting the successful conclusion of these talks and are anxious to find mutually satisfactory solution of the problem."

(The Hindustan Times, New Delhi)

[Prev. ref. 8470:INI:C]

G. Peaceful Nuclear Pact With Brazil: Brazil and India signed an Agreement in Rio De Janeiro on December 9, 1968 for co-operation in the use of nuclear energy for peaceful purposes.

The Agreement called for co-operation in the form of exchange of information on nuclear research and the application of nuclear energy in the field of agriculture.

(The Statesman, Calcutta)

[Prev. ref. 8612:INI:A]

H. Economic Co-operation In Asia–Mr Dinesh Singh's Statement: The Central Commerce Minister, Mr. Dinesh Singh, told newsmen in New Delhi on December 17, 1968 that a "modest action programme" for increased economic co-operation in the Asian region would emerge within a year.

The programme, he said, would initially concentrate on increasing production, trade and payments arrangements in the region and expressed the hope that the programme would be launched by the middle of 1970. An Asian Council of Ministers, which was set up at ECAFE's Ministerial Conference at Bangkok in the second week of December, 1968 would ensure the necessary political will to implement the programme. It was proposed to set up a national unit in India as a focal point for Asian economic co-operation. Such units would be set up in other countries also.

Earlier, in a statement in Parliament, Mr. Dinesh Singh said that the Government of India intended to play its due role in the Asian Council of Ministers and to make every endeavour to help the Secretariat of the Council to initiate and implement concrete programmes of action "so that intra-regional trade expands and other schemes of regional co-operation, particularly those relating to infra-structure of industrialization, make reasonably rapid progress."

A highlight of the Conference was the approval of a strategy for integrated development of the region.

(The Hindustan Times, New Delhi)

[Prev. ref. 8604:INI:C]

I. Diplomatic Appointments: Mr. D. N. Chatterjee, Deputy High Commissioner for India in London, has been appointed Ambassador to France in place of Mr. C. S. Jha, who has retired.

Mr. J. C. Kakar, at present Ambassador to Hungary, has been appointed High Commissioner to Zambia in succession to Mr. S. Krishnamurthi.

Mr. Lakshmi Narayan Ray, till recently Minister Counsellor at the Indian Embassy in Cairo, has been appointed High Commissioner to Trinidad and Tobago.

(The Times of India, New Delhi)

[Prev. ref. 7774:INI:E, 8648:INI:F]

J. IAF To Get Better Fighter Planes: The Defence Minister, Sardar Swaran Singh, disclosed in the Lok Sabha on December 18, 1968 that the Government was looking for planes which would have better performance than MIGs being manufactured in the country and was confident that it would succeed in acquiring them.

He said that MIGs would continue to be used in India for a considerable time. It was true, however, that there were successor-planes to MIGs.

He assured the House that any threat to India's security from China or Pakistan or from both would be met effectively. He had already spelt out the measures being taken by the Government to deal with any eventuality.

(The Times of India, Bombay and New Delhi)

[Prev. ref. 8708:INI:G]

K. Entry Restrictions In Some Areas: Some of the restrictions which operate against nationals from other parts of India in Nagaland, which the Government of India proposes to relax, have been there for the past 95 years.

These restrictions under the Bengal Eastern Frontier Regulation of 1873 on Indian nationals visiting or purchasing land in the restricted areas have remained in operation not only in Nagaland but also in N-EFA and the Mizo Hills district. They were imposed "for reasons of security in the area and to safeguard the interests of the tribal people."

There are no restrictions on visits of Indian nationals to Jammu and Kashmir except in Ladakh which is a "prohibited area." Permits for visits to this area are issued by the Defence Ministry. As regards purchase of land, under the existing provisions of law only permanent residents of the State are entitled to acquire immovable property in Jammu and Kashmir.

In certain other States, and Union Territories too, there are restrictions on purchase of land by outsiders in order to protect the tribal population.

Under the Andhra Pradesh Scheduled Areas Land Transfer Regulation of 1959, restrictions have been imposed in the districts of East Godavari, West Godavari, Visakhapatnam and Srikakulam from that year. In the districts of Adilabad, Warangal, Khammam and Mahboobnagar, there are restrictions since 1963 on the alienation of land by persons belonging to Scheduled Tribes to non-tribals.

In Assam, restrictions were imposed between 1953 and 1967 on the purchase of land by non-tribals in the districts of United Khasi-Jaintia Hills, Garo Hills, Mikir Hills, Mizo Hills and in Jowai sub-division.

In Uttar Pradesh, visits of Indian nationals are being regulated by permits to certain areas in Pithoragarh, Chamoli and Uttarkashi districts since 1962 in the interests of the safety and security of India and in public interest.

Under the Andaman and Nicobar Islands (Protection of Aboriginal Tribes) Regulation of 1956, certain areas are out of bounds for visitors, nor can outsiders purchase land in those areas. These restrictions are meant to safeguard the interest of the aboriginal tribes there.

Certain areas in Kinnaur district of Himachal Pradesh are notified areas under the Criminal Law Amendment Act of 1961. Entry into those areas are regulated by permits in the interests of security.

Non-islanders who are not Government servants cannot visit the Laccadive, Minicoy and Amindive islands without a permit. Transfer of land belonging to members of Scheduled Tribes in that Union Territory to non-tribals is also prohibited.

Entry of Indian nationals into the hill sub-divisions of Manipur is regulated by permits. Under the Manipur Land Revenue and Land Reforms Act of 1960, a member of a Scheduled Tribe cannot transfer land to a non-tribal without the prior permission of the Deputy Commissioner.

There are no such restrictions in Gujarat, Haryana, Madhya Pradesh, Mysore, Punjab, Rajasthan, West Bengal, and the Union Territories of Chandigarh, Delhi, Dadra and Nagar Haveli, Goa, Daman and Diu, Pondicherry and Tripura.

(**The Times of India** and **The Statesman,** New Delhi)

[Prev. ref. 4538:INI:C, 6848:INI:F, 7948:INI:T]

L. **FICCI On Fourth Plan:** In a pamphlet issued on December 22, 1968, the Federation of Indian Chambers of Commerce and Industry (FICCI) suggested an outlay of Rs. 18,000 crores in the Fourth Plan period for achieving "a feasible growth rate of nearly five per cent" and set out what, in its view, should form the guidelines for the Fourth Plan and cautioned the Government against going in for a "too ambitious" Plan.

It pointed out that the economy had a certain growth potential and planning should be such as to harness that potential in full measure. "If we plan for a growth rate which the economy cannot sustain, planning would fall on the side of being too ambitious." It, however, recognized that the development potential cannot be accurately judged and it is only through trial and error that a near correct size plan can be implemented. It has, therefore, suggested that the Fourth Five-Year Plan should be split into five annual plans which should be subject to continuous revision and alternations in the light of changing conditions.

It proposed that the Plan should be divided into two parts, one consisting of the "core" programmes which are crucial for the development of economy, and the other of supplementary schemes. All necessary facilities should be provided for implementing the "core" projects in the public and private sectors.

The basic objective of the Fourth Plan, it said, should be to consolidate the economy and make it more development-oriented, rather than to stipulate a fixed rate of growth. Self-sufficiency in the production of foodgrains should be achieved by adopting a new strategy based primarily on larger use of inputs. For this purpose, full facilities should be provided to industries manufacturing agricultural inputs.

It emphasized that public sector undertakings should be better managed so that they produce more and yield better returns. Projects already under construction should be completed with utmost speed.

Full utilization of capacity in the private sector should be brought about by adopting anti-recessionary measures. The capital market, which has been in a depressed condition, has to be revived by suitable changes in the tax structure. The rate of taxation, which had reached a point of diminishing returns, should be reduced.

Other economic policies like price control, industrial licensing and import controls should be revised in a manner that would leave larger initiative with the people. A scheme of incentives should be devised for the implementation of programmes in the priority sectors.

(**The Times of India,** New Delhi and Bombay)

[Prev. ref. 8234:INI:G]

M. **Hindustan Steel Ltd. Losses:** Hindustan Steel Limited (HSL) has incurred a cumulative loss of Rs. 122.4 crores since its inception till March 31, 1968. The net loss in 1967-69 was Rs. 40.1 crores.

According to a review of the working of HSL for 1967-68, production of saleable steel at HSL plants fell by 5.5 per cent from 2.56 million tonnes. Capacity utilization in respect of saleable steel declined from 91 per cent in 1965-66 to 69 per cent in 1967-68. This was mainly caused by the general economic recession and frequent labour troubles at HSL plants.

One heartening feature, however, was HSL's good performance in exports. Exports earnings rose from Rs. 9.3 crores in 1966-67 to Rs. 30.9 crores in 1967-68. HSL now exports to 30 countries, including USA, UK, Australia, Japan and USSR.

The total investment on HSL plants on capital account based on Government funds at the end of March 31, 1968 was Rs. 1,072.5 crores (equity Rs. 552 crores and loans Rs. 520.5 crores). The last month the Government subscribed a further amount of Rs. 5 crores towards HSL's share capital, thus raising its share capital to Rs. 557 crores. It also received a loan of Rs. 6.8 crores from the Government in 1967.

(**The Statesman,** Calcutta)

[Prev. ref. 8284:INI:L]

N. **Fundamental Rights Amendment Bill Moved In Lok Sabha:** Parliament's right to amend the Chapter on Fundamental Rights in the Constitution was contested when debate began on Mr. Nath Pai's (P-SP) Constitution Amendment Bill in the Lok Sabha on November 29, 1968.

The Bill seeks to restore to Parliament this right which the Supreme Court, in its famous six-to-five majority judgement in the Golaknath case in February, 1967 had made inoperative.

The argument in favour of the Bill broadly was that the Constitution was flexible enough to allow Parliament to legislate on Fundamental Rights. Those who opposed contended mainly that the Constitution was nowhere more rigid than on the question of Fundamental Rights.

Speakers on both sides quoted Dr. B. R. Ambedkar, one of the framers of the Constitution, and Mr. M. C. Setalvad, the eminent jurist, in support of their argument. While Communist members supported the Bill, the Swatantra and Jana Sangh members were against it. Congress members were divided in their support.

Before the debate started, the House rejected by 128 votes to [illegible] an amendment, moved by Mr. J. M. Lobo Prabhu (Swatantra), for summoning the Attorney-General of India to give his opinion on the constitutionality of the measure.

Moving the Bill, Mr. Nath Pai conceded there were separate spheres of jurisdiction of Parliament and the Supreme Court. But, he thought the judgment was based on an erroneous view and had cast doubts on the wisdom of the people. As far as he was concerned, the people were the ultimate authority.

Mr. Nath Pai also found little weight in the criticism that enactment of the Bill would make the Government totalitarian. A country was democratic, he asserted, because of the commitment of a majority of its people to democracy, and not because of a court judgment or the charity of a Government.

Mr. Frank Anthony (Ind) said that by supporting the Bill, the Go vernment would give hostage to lawlessness. The measure was against the spirit of the Constitution which was the symbol of law.

Mr. Anthony accused the Government of seeking to create deliberately a quarrel with the Supreme Court. He suspected there might be a political attempt to brow-beat the judges. If the judges were to backslide, democracy would be in danger.

Mr. N. C. Chatterjee (Ind) contended that Parliament had the right to amend Fundamental Rights.

The debate did not conclude and was carried over to the next session.

Mr. Justice Hidayatullah On Fundamental Rights:

The Chief Justice of India, Mr. M. Hidayatullah, said in New Delhi on December 10, 1968 that it seemed "somewhat strange," particularly in this "Year of Human Rights", that there should be cleavage of opinion in the country on the issue of basic Fundamental Rights.

[The Chief Justice had obviously in mind Mr. Nath Pai's Bill moved in the Lok Sabha to empower Parliament to amend any part of the Constitution, including Fundamental Rights].

He said that difficulties arose in the country because of inclusion of "property rights" in the Fundamental Rights Chapter in the Constitution. "By all means one can go for that, but one must go for it in a constitutional way."

He said that any attempt aimed at jeopardizing the position of Fundamental Rights in the Constitution might well mean "an attempt to reverse the gear" and also "reversal of policies of nations" (in regard to basic human rights).

(**The Statesman,** New Delhi)
[Prev. ref. 7597:INI:M, 8042:INI:P]

O. September Strike Cases—Kerala Decision To Withdraw: The Kerala Chief Minister, Mr. E.M.S. Namboodiripad, announced at a news conference in Trivandrum on December 18, 1968 that the Kerala Government had decided to withdraw, with permission from the court, all cases arising out of the Central Government employees' strike on September 19, 1968 except those involving serious attacks on people and property.

The Central Government sources in New Delhi, however, expressed surprise at the Kerala Government's decision to withdraw cases against 130 Central employees charge-sheeted for illegal participation in the September 19 token strike.

The State Government action was considered odd, particularly since the Central Home Minister, Mr. Y. B. Chavan had conveyed to the Kerala Chief Minister the Centre's opposition to the withdrawal of the cases.

Central Government's View:

On December 19, 1968, the Central Government's legal experts held that decision to withdraw the cases was illegal and unconstitutional.

In a letter to Mr. Namboodiripad early in December, 1968 Mr. Chavan had explained the Central Government's views and had asked the State Government not to go ahead with its contemplated move. No reply was received.

Instructions were sent to the heads of the Central Government departments in Kerala, whose employees were involved in the incidents — the Accountant-General, Postmaster General and others—to oppose the withdrawal applications in courts. No other step was contemplated so far, although the Kerala action was regarded as a clear defiance of the Central Government.

According to the legal experts, decisions about withdrawals could be taken only by one agency—the Public Prosecutor (or the Advocate-General) acting in his personal capacity, and not under instructions from others. The blanket order of the Kerala Government violated this principle, and was, therefore, illegal. Any decision by a Public Prosecutor —under Section 494, Cr. PC—was the result of his discretion, exercised when he felt that to press the case would be to abuse his right.

The Supreme Court had already pronounced that courts had to be satisfied about good judicial reasons for withdrawal of cases before they gave their consent. According to one view, the complainants—which in these cases would be the heads of the Central Government departments—could approach the High Court even if the lower courts granted permission for withdrawal.

The withdrawal order was considered unconstitutional on the ground that it amounted to defiance of the Essential Services Maintenance Ordinance, which was at par with the law of Parliament. Under Article 256 of the Constitution, it was stated, there was no discretion with State Governments in regard to the implementation of Central laws. The Article says: "The executive power of every State shall be so exercised as to ensure compliance with the laws made by Parliament."

Withdrawal Of Cases In Kerala Refused By Court:

The Sub-Magistrate of Trivandrum, Mr. P. K. Chandrasekhara Panicker, rejected the Kerala Government's prayer on December 23, 1968 for the withdrawal of cases against 284 Central Government employees in connexion with the September strike.

Of the 284 employees chargesheeted for various offences under the Indian Penal Code, 250 belonged to the Accountant-General's office. They were standing trial for gheraoing Mr. T. N. Kuriakose, Accountant-General, on August 21, 1968.

The State Government's petition followed its decision to withdraw all such cases against Central Government employees.

(**The Hindu,** Madras)
[Prev. ref. 8710:INI:R]

P. Essential Services Maintenance Bill Passed: The Essential Services Maintenance Bill, an offshoot of the one-day token strike of Central Government employees on September 19, 1968, was adopted by the Lok Sabha on December 18, 1968 after a week-long debate.

Those Opposition groups which had been resisting the Bill right from the time of its introduction maintained their attitude of hostility to the end. They walked out of the House at the time of the final division.

The Jana Sangh group voted against the Bill but did not join in the walk-out. The Swatantra group neither walked out nor participated in the voting. As a result, the number of votes against the Bill was only 14, while 135 voted in its favour.

The Rajya Sabha passed the Bill on December 27, 1968.

The Bill validated the provisions of the Essential Services Ordinance promulgated by the President on September 17, 1968 to meet the situation threatened by the one-day strike by Government employees on September 19, 1968 (see page 8560).

(**The Times of India,** New Delhi)
[Prev. ref. 1598:INI:B, 8560:INI:I]

Q. LIC De-recognizes Employees' Association: The Life Insurance Corporation of India (LIC) announced in Bombay on November 22, 1968 that it had "de-recognized" the All-India Insurance Employees' Association and all the 36 divisional unions affiliated to it.

It said that the Central implementation and evaluation committee had approved its proposal to de-recognize the said Association and its affiliated unions for various breaches of the code of discipline in industry established against them.

(**The Times of India,** Bombay)

[Prev. ref. 8614:INI:B]

R. **Haryana Congress Ministry Survives Crisis:** The Congress Ministry in Haryana lost its majority in the State Assembly on December 9, 1968, with 15 Congress dissidents defecting to the Opposition.

The dissidents, who had decided to quit the Congress, formed a united front with the main Opposition groups, the new body to be known as the Samyukta Vidhayak Dal (SVD) with Mr. Bhagwat Dayal Sharma as leader.

Soon after, the Opposition members belonging to the Dal, numbering 41, presented themselves before the State Governor, Mr. B. N. Chakravarty and delivered a memorandum demanding that he should ask for Mr. Bansi Lal's resignation and if he failed to quit, dismiss him as he was in a minority now.

They also requested him to call upon the SVD leader, Mr. B. D. Sharma to form an alternative government, in view of the "majority support" enjoyed by him in the House.

Swiftly reacting to the developments, the Congress President, Mr. S. Nijalingappa, suspended Mr. Bhagwat Dayal Sharma from the Congress party the same day (December 9) and advised Mr. Bansi Lal not to resign till it was proved beyond doubt that he had lost the majority in the Assembly.

But, soon, some of the Congress dissidents who had earlier joined SVD returned to the Congress fold. These included the former Agriculture Minister, Mr. Ran Singh, and Mr. Om Prakash Garg. The Congress Ministry then regained majority support and the newly-born Opposition Samyukta Vidhayak Dal was reduced to a minority in the Assembly.

After 36 hours of the dissidents' revolt, the number of Congress supporters rose to 43 and the Samyukta Vidhayak Dal's strength was reduced to 37 in a House of 81, with one seat vacant.

The Ministry's supporters comprised 37 members of the Congress Party, including four returning defectors, five Independents and Mr. Narayan Singh (Swatantra).

Mr. Ran Singh and Mr. Om Prakash Garg, who till now were among the closest associates of Mr. Bhagwat Dayal Sharma, explained at a news conference on December 11, 1968: "We had some feelings because of the impending PCC elections. But now these have been removed automatically. Mr. B. D. Sharma has resigned from the Congress."

Talking to correspondents on December 13, 1968, the State Chief Minister, Mr. Bansi Lal said: "My Government is stable and there is no longer any crisis. In fact, there never was any crisis."

(**The Statesman** and **The Hindustan Times,** New Delhi)

[Prev. ref. 8555:INI:J]

S. **Mr. G. S. Rarewala Resigns From Congress Party:** Mr. Gian Singh Rarewala, leader of the Punjab Congress Legislature Party in the dissolved State Legislative Assembly, announced his resignation from the Party on December 21, 1968 in protest against what he described as the "unfair" selection of candidates for the mid-term poll.

He was followed by his supporters, Mr. Baldev Singh, former Deputy Speaker. He left the Congress as he was denied the party ticket on the ground that he had defected from the Akali Dal after the last General Elections.

Mr. Rarewala's main grievance against the Congress leaders was that they had firmly turned down his request to grant the party ticket to Mr. Baldev Singh who had joined the party at a time when its morale and strength were low. They refused to make any departure from the principle of not giving the party ticket to defectors.

This was the second time that Mr. Rarewala left the party in the past five years. He left the Congress along with 16 other legislators in 1963 to form the now defunct Prajatantra Party. He, however, returned to the party fold a year later after the late Mr. Pratap Singh Kairon resigned from Chief Ministership following the findings of the Das Commission.

In a statement to the Press, Mr. Rarewala blamed Congress leaders for allotting the party ticket "on communal considerations" with a view to creating a split between Hindus and Sikhs.

(**The Times of India,** New Delhi)

[Prev. ref. 5906:INI:A, 8516:INI:C]

T. **Kiltan Island's Police Station Attacked:** According to a report reaching Trivandrum on December 21, 1968, a crowd of about 300 persons attacked the police outpost at Kiltan Island in the Laccadives group on December 19, 1968. The police inside opened fire to disperse the crowd. Four persons were injured in the firing.

Sparsely-populated, Kiltan is said to be farthest island in the Laccadives group.

Information regarding the attack on the police outpost reached Kavarathy island, the headquarters of the Laccadives, on December 20, 1968 through the neighbouring island of Chetlat. The wireless station in Kiltan island was said to be not working.

Immediately on receipt of information, a strong police party left Kavarathy for Kiltan Island in three motor boats.

The report did not indicate who the attackers were and the reason for the attack.

A magisterial inquiry was ordered into the incident.

According to another report about 300 persons armed with harpoons, stones and sticks marched to the police station at Kiltan island and demanded the release of two persons detained for interrogation in connexion with an offence.

(**The Hindu,** Madras)

U. **New Mysore Minister:** Mr Veerendra Patil, Chief Minister of Mysore, announced in Bangalore on December 10, 1968 the inclusion of Mr. B. M. Patil in his Ministry.

Mr. Patil will be Minister of State for Municipal Administration.

The strength of the Mysore Ministry is now 29.

Mr. Patil represents Mr. B. D. Jatti's group which had worked against Mr. Veerendra Patil's election as leader of the Congress Party in the Legislature. Mr. B. M. Patil was sworn-in on December 11, 1968.

(**The Hindu,** Madras)

[Prev. ref. 8377:INI:S]

V. **President's Rule In Bihar Extended:** On December 18, 1968, the Lok Sabha agreed to extend President's Rule in Bihar by six months, a formality necessitated by the fact that the earlier proclamation lapsed on January 25, 1969, with only days to go for the mid-term poll.

The Rajya Sabha also agreed to it later.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8420:INI:A]

W. Birla House Not To Be Acquired: The Government decided on December 17, 1968 that there was no need for taking over the entire Birla House in New Delhi (where Mahatma Gandhi was assassinated on January 30, 1948) as demanded by a section of Congressmen and Left Opposition parties.

It was recalled that the decision not to acquire Birla House was taken in November, 1967 while drawing up the Gandhi Centenary programme. The unanimous view was that there was no justification for making a departure from the stand taken at that time.

The Government also took note of the fast undertaken by Mr. Shashi Bhushan, Congress MP, but decided not to do anything in the matter as the Executive Committee of the Congress Parliamentary Party had already requested the member to give up the fast.

(**The Times of India**, New Delhi)

X. Meteorological Rocket Tested: An India-made **Menaka** meteorological rocket was successfully flight-tested with chaff payload from the Thumba equatorial rocket launching station at Trivandrum on December 23, 1968.

The rocket was developed by TERLS engineers using cordite propellant supplied by the Cordite factory at Aravankad (near Ooty). The payload system containing copper chaff and pyrotechnics was also designed and developed in TERLS.

A spokesman of TERLS said that the chaff payload was tracked by radar from 30 km altitude.

(**The Hindu**, Madras)

[Prev. ref. 8538:INI:L, 8646:INI:C]

Y. Indian Cinema—A Review: According to an official review, despite the comparatively small size of the clientele, which restricts the area of commercial exploitation, regional cinema in the country has shown a trend of sustained and phenomenal growth in recent years.

The review, "Fifty-five years of Indian cinema," said that during 1967, a "new high" was reached in national film production with 333 films, compared to 316 in 1966 and 325 in 1965.

Of these, 248 were in regional languages—against a new high and 39 more than in the previous year.

Production of Hindi films, however, fell from 107 in 1966 to 85 in 1967. The number of Telugu films was 61—20 more than in the previous year. Tamil and Kannada production rose by three and three respectively, the figures being 65 and 24 respectively.

The most spectacular growth was registered by the Malayalam cinema. "Thematically rich and artistically strong, Malayalam film industry is the most forward-looking film fraternity in the country" today. During 1967, Malayalam production rose to 39 from 31 in 1966.

Production in Marathi also rose from 12 in 1966 to 20 in 1967, while the number of Punjabi (5), Gujarati (3), Assamese and Oriya (two each) and Konkani and Sindhi (one each) remained unchanged.

Bengali film production suffered a set-back with 25 films in 1967, as against 30 in the previous year. However, artistically, the industry maintained its leading position as is evident from the President's Gold Medal and the awards for best acting and direction going to Bengali films.

On the expansion of the regional film industry, the review noted that Indian cinema, right from its inception, remained centred in three principal regions—west, south and east.

The traditional film centres in these regions are: Bombay, Poona and Kolhapur in the west; Madras, Mysore, Salem, Coimbatore, Trivandrum, Alleppey, Alwaye and Hyderabad in the south, and Calcutta in the east.

Attempts were being made to create full-fledged units in Gauhati in Assam, Bhuvaneswar in Orissa, Ghaziabad in UP, and in Haryana, Punjab and Gujarat.

The Indian cinema today is a leading medium-sized industry with an estimated capital investment of Rs. 90 crores in studios, laboratories, production, distribution and exhibition.

Over 1,25,000 persons are directly employed in the industry which has an estimated annual box-office collection of Rs. 90 crores and export earnings of the order of Rs. 2 crores.

In artistic merit, Indian films created a big impact abroad as early as 1926 and since then a number of films have won international awards.

The most striking feature in 1967 was the involvement of the Indian cinema with world cinema. Apart from a number of Indian artistes playing in foreign films, for the first time an Indian artiste, Shashi Kapoor, was assigned to play the male lead in a foreign film, which has subsequently been released. Satyajit Ray became the first Indian to sign a Hollywood contract to direct a film featuring Indian and foreign talents.

(**The Times of India**, Bombay)

[Prev. ref. 8407:INI:P, 8676:INI:P]

Z. Life Expectancy: According to figures given by the Deputy Health Minister, Mr. B. S. Murthy in the Rajya Sabha on November 26, 1968, expectation of life for a man in Punjab is the highest in India, while a Kerala woman enjoys greater longevity than a woman of any other State.

The life expectancy for men is generally higher than for women in the country. The all-India figure for men is 53.2 and for women 51.9.

The life expectancy of a man in Andhra Pradesh is 50.3 and a woman 48.5; in Assam 49.1 and 49.5; Bihar 49.9 and 50.3; Gujarat 52.1 and 50.5; Kerala 59.5 and 57.1; Madhya Pradesh 52.5 and 51.3; Madras 52 and 50.1; Maharashtra 56.1 and 54.3; Mysore 52.5 and 50.5; Orissa 52.0 and 52.4; Punjab 59.9 and 55.0; Rajasthan 59.2 and 54.3; West Bengal 54.1 and 54.5; and Uttar Pradesh 50.7 and 49.6.

(**The Statesman**, New Delhi)

[Prev. ref. 7351:INI:L]

ISRAEL

A. West Asia Issue—More Fighting: Israeli and Egyptian jet fighters battled over the northern neck of the Red Sea on December 10, 1968 and the Israeli Army claimed that one Egyptian MIG-17 was shot down.

An Israeli spokesman said that the second of the Egyptian MIGs was "seen to be hit" and headed back to base.

In Amman, an Iraqi spokesman said that an Israeli plane, one of three that "violated" Jordanian airspace on a reconnaissance mission was downed by anti-aircraft gunners. The Israeli spokesman denied the claim.

A Jordanian spokesman reported that a squadron of Israeli planes was turned back by Jordanian gunners when it flew over Mafraq in southern Jordan on December 10, 1968.

On December 11, 1968, a Jordanian spokesman said that a clash across the Jordan River was sparked by Israeli fire from tanks, artillery and machine-guns at troops three kilometres south of Al-Kattaf.

Jordanian troops returned the fire and suffered no losses.

A Jordanian military spokesman said in Amman on December 12, 1968 that Israeli jets swept into Jordan and bombed gun emplacements in the Sheikh Hussein bridge area. Four planes were stated to have attacked the area but there were no casualties. One building was damaged and the Israeli vehicle destroyed.

An Israeli Army spokesman said in Tel Aviv that an Israeli patrol came under rocket and mortar fire near Kibbutz Maoz Hayyim in the Beisan Valley near the Jordan cease-fire line on December 12, 1968.

Israeli war planes swooped into Jordan to attack an Arab guerrilla unit that had allegedly unleashed rockets over the cease-fire line on December 17, 1968.

According to an Israeli Army spokesman, on December 19, 1968 Israeli and Jordanian forces exchanged fire for 1½ hours across their common border about three miles south of the Damiya bridge. There were no Israeli casualties in the duel, which he accused the Jordanians of starting.

Inside Israel itself, the railway line from Gaza town was slightly damaged by an explosion about half-a-mile north of Gaza station. Security forces were later searching the area.

On December 20, 1968, it was stated by an Amman military spokesman, four Israeli aircraft attacked the village of Hadassiye, in the north of the Jordan Valley. Two houses were destroyed, but there was no loss of life.

On December 21, 1968, an Israeli Army officer—a former Military Governor of Nablus—was killed in a drawn-out fight with a group of Arab infiltrators said to be on their way to attack civilian targets around Jerusalem. The guerrilla force was crushed in a deep canyon west of Jericho before it could reach its objective. Two Arabs were killed and the remaining six were taken prisoner. The sole Israeli casualty was the Governor of Nablus.

Israeli warplanes pummelled El Fatah guerrillas inside Jordan on December 24, 1968, while in a Judean hilltop town 128 km to the south Yuletide preparations approached their Christmas climax.

The planes smashed at the saboteurs which the Israelis said were based in the abandoned village of Anshiya facing the Beisan Valley just south of the Sea of Galilee.

Israeli Spy Ring In UAR Reported:

The Middle East News Agency said in Cairo on December 8, 1968 that four Israeli spy rings had been uncovered in UAR.

The discoveries, it was said, involved two Egyptian journalists, a Spaniard, a Reserve Army Officer and a former senior Foreign Ministry official.

In the first case, two Egyptians had been arrested by the General Intelligence Department. The key defendent, Press photographer Monir Mohammed Abdel Ghani Issa, was alleged to have been recruited by Israeli Intelligence to obtain economic and military information about the country.

Maj-Gen. M. Dayan On His US Visit:

The Israeli Defence Minister, Maj-Gen. Moshe Dayan, who returned to Tel Aviv on December 17, 1968 after a week-end visit to New York, said that he found no sign of any "impending change in the policy of the US Administration regarding West Asia".

Maj-Gen. Dayan was in New York to address a United Jewish Appeal (UJA) dinner and met the US President-elect, Mr. Richard Nixon. It was Gen. Dayan's first trip outside Israel since the June, 1967 war.

He told an airport news conference that he discussed no concrete problems of West Asia with Mr. Nixon. He described the talks as "interesting, pleasant and positive."

Regarding a statement by Mr. Nixon's fact-finding envoy, Mr. William Scranton, that US policies towards West Asia must be "more even-handed," he said: "There were repercussions to these statements and I don't mean what he said on the need to improve US-Arab relations. This is the right approach in my eyes as well. I refer to his statement on the need for a more balanced US policy in West Asia. This has been interpreted by Jews.....as possibly meaning an improvement in relations with Egypt at Israel's expense."

King Hussein Denies Settlement Report:

Jordan denied on December 15, 1968 that King Hussein was prepared to renounce sovereignty over the west bank of Jordan River if this would help a West Asia settlement.

A Jordanian spokesman said that King Hussein had told the correspondent of **Sunday Observer** of London that he had plans for introducing more decentralization after the liberation of the west bank from Israeli occupation.

The **Sunday Observer** correspondent had alleged that King Hussein had told him that he was ready to surrender the richest part of his kingdom for a peace settlement with Israel was also alleged to have said that he was willing to renounce sovereignty over the west bank of Jordan—the western half of his country occupied by Israeli troops since the 1967 June war—if this would lead to a peace agreement with Israel.

The correspondent, Mr. Gavin Young had asked King Hussein if this meant that the surrendered territory would then become a new State called Palestine, and the King was quoted as replying: "Yes, that is what the people want."

King Hussein did not specify, however, whether he could consider a direct agreement between Jordan and Israel or whether he would hold out firmly—as he had done in the past—for a joint agreement between all Arab countries involved in the war and Israel.

He made no statement on the status of Jerusalem, whose eastern half King Hussein and all other Arab leaders have stiffly demanded be returned to Arab rule.

Mr. Young said that the significance of the statement had to be seen in the context of various tentative peace proposals circulating in West Asia during recent weeks. The essence of these proposals seemed to be as follows:

(1) The Jordan west bank would be evacuated by the Israelis.

(2) East Jerusalem would be the headquarters of an autonomous Palestinian State in a special relationship with Jordan.

(3) This new State would have access to the Mediterranean at Haifa and Gaza.

(4) The whole area would be demilitarized.

Up to now, Mr. Young wrote, there had been two principal snags to such a plan. "One was the assumption that King Hussein would refuse to give up sovereignty of the Jordan west bank—now proved wrong by his remarks to me." The second was "the firmly re-iterated Israeli intention to hang on to Jerusalem. The Arabs will accept nothing that does not restore Jerusalem to them." But a hopeful sign was a statement made by an Israeli Foreign Office official that the status of Jerusalem was still negotiable.

Mr. Y. Allon Indicates Cession Of Some Territory:

The Israeli Deputy Prime Minister, Mr. Yigal Allon, indicated at a Labour Party meeting in Tel Aviv on December 19, 1968 that Israel would be willing to give back to Egypt part of the Sinai desert captured in the 1967 West Asian war, in return for peace.

He said: "There is no reason why the cease-fire lines in Sinai should be identical with the borders which would prevail under conditions of peace."

In an appraisal of what Israeli must concede in face-to-face talks with the Arabs, he added: "The question is not one of historic rights, although it agrees with these motives. The question is—how will the final borders affect our security. Naturally we will have to make concessions. From a security point of view there is no eastern border for Israel other than the Jordan River, regardless of what solution is reached over the west bank of the Jordan."

[Mr. Allon is the proponent of a peace proposal whereby the Jordan River west bank would be returned to Jordan, while Israel held a strip of Jewish-populated land along the Jordan River "for defence purposes."]

Mr. L. Eshkol "Sits Tight":

But, on December 24, 1968 the Prime Minister, Mr. Levi Eshkol, told a students' rally that Israel would "sit tight" on its present cease-fire lines with Arab States until peace was signed, and even then would make only small changes in the present borders.

In a toughly worded speech, he said: "If it takes 20 years to achieve peace, we'll sit tight for 20 years." Some changes could be made if there were negotiations, but there would be no going back to the position as on June 4, 1967—the eve of the six-day West Asian war.

(**The Times**, London, **The New York Times**, **The Egyptian Gazette**, Cairo and **The Hindu**, Madras)

[Prev. ref. 8686:ISR:A]

B. Mr. A. Gromyko's Visit To Cairo: It was officially stated that the Soviet Foreign Minister, Mr. Andrei Gromyko arrived in Cairo on December 21, 1968. He met President Nasser next day and delivered an "important message from Soviet leaders."

The talks took place at President Nasser's house following lengthy conversations between Mr. Gromyko and the UAR Foreign Minister, Mr. Mahmoud Riad, the previous night. The Nasser-Gromyko meeting lasted five hours.

The surprise and urgent nature of Mr. Gromyko's four-day visit was clearly noticeable in Cairo.

Mr. Gromyko left for Moscow on December 24, 1968.

He told newsmen before his departure that he had discussed with Egyptian officials "matters that highly concern the Soviet Union, Egypt and other countries that firmly stand beside peace and people's rights."

Among other subjects discussed, he said, was "the erasing of the consequences of the 1967 Israeli aggression."

He said that both UAR and USSR had reaffirmed their desire to "continue on the way of strengthening and consolidating their brotherly relations."

The Communique:

A **communique** released in Cairo on December 24, 1968 following the departure of Mr. Gromyko announced Egypt's intention of once more seeking peace in West Asia through the special UN Peace Envoy, Mr. Gunnar Jarring.

The **communique** expressed "full co-operation and support for the Jarring Mission" (after several weeks of statements from Cairo describing Mr. Jarring's intervention as a failure.)

[Only hours before the **communique**, the semi-official Cairo newspaper **Al Ahram** announced that Mr. Jarring, who recently returned to his Swedish Ambassadorship in Moscow, would resume his peace-keeping assignment in the second week of January, 1969]

The **communique** also carried the Soviet Union's endorsement of the Jarring Mission, declaring in part: "The Government of the Soviet Union appreciates the position taken by UAR with regard to the latter nation's acceptance of the Security Council resolution of 1967, its disposition toward applying it in practice and its (Egypt's) full co-operation and support for Ambassador Jarring."

It then went on to charge Israel with refusing to apply the 1967 Security Council resolution, declaring that this was a "threat to the security and sovereignty of the Arab nations as well as a serious violation of the UN Charter."

Both nations demanded the immediate withdrawal of Israeli forces from occupied Arab territories as contained in the UN resolution.

(**Cairo Radio**, **The Egyptian Gazette**, Cairo, **The Times**, London and **The Statesman**, Calcutta)

[Prev. ref. 8687:ISR:A]

PAKISTAN

A. Air Marshal Asghar Khan On Political Situation: In a tape-recorded interview with two British correspondents who saw him in Lahore on December 21, 1968, Air Marshal Asghar Khan was unsparing in his criticism of many aspects of the Ayub **regime**, but had few differences with it on issues of foreign policy.

He also refused to talk about Kashmir, except to say that Pakistan needed "to present a better face" to the Kashmiris, to the Indians and to the world. When it did so, "it would help to solve the problem".

Asked whether any basic change in the Pakistani political system could be brought about without the Army's concurrence, he gave a qualified answer indicative of his wishes rather than his assessment. "I hope to God the Army would not do anything which would repeat what happened in 1959." It would be a "tragedy" if it did.

He added that the Army would not like to interfere: it had sensible people. But no army wanted chaos. If political parties could organize themselves "properly", he did not think the Army "would or should come in." 'But if the situation gets out of hand, anything could happen". That would be a very bad thing. Once military men started to intervene, there would be no end to it, as in South America or West Asia.

He voiced his "grave" fear that Pakistan's political structure would break down if anything happened to President Ayub Khan. There was no clear idea in any one's mind regarding the modalities of succession. The Constitution provided for the Speaker of the National Assembly to serve as Acting President, but this legal provision was ignored during the three months when Mr. Ayub Khan lay incapacitated by his illness early in 1968. If the Constitutional provision did not work in the case of the President's temporary incapacity, it was highly doubtful whether it would work when the matter of succession was at issue. "I do not think anybody in the Government is a natural successor."

He went on to add that the **regime** itself had no clue on what would happen in the event the Presidency fell vacant.

He did not see Capt. Gohar Ayub, the President's son, as a possible successor. Although people talked about the young man as being the heir apparent, he refused to consider this as "a serious possibility." (Mr. Gohar Ayub had lately given up his business connexions, presumably to devote all his time to politics).

He admitted that Pakistan's electoral system was "highly controlled," offering little possibility of a fair poll. "There is so much nonsense that goes on in our system." The last election was not a fair one and the next election—due to begin in Autumn, 1969—was not likely to be "anywhere near satisfactory."

Asked about his stand **vis-a-vis** Pakistan's Islamic orientation, he said he accepted it as every one else in the country did. Religion was basic to the concept of Pakistan, but there was "a lot of nonsense" being talked about Islam. To him, Islam meant certain values like human freedom and social dignity common to all civilizations.

Asked where he belonged in the political spectrum, he said: "I do not take a position Right, Left or Centre". He still had to think out where he stood.

On the subject of corruption—an issue highlighted in the recent agitations—he could afford, however, to be wholly unequivocal. The degree of corruption in Pakistani society, he said, was "terrible". It was a corruption "in very high quarters" which was, in his judgment, a big factor in the present discontent. The whole political structure of Pakistan "stinks." "Such a system can only create weakness, it gets worse every year."

He felt that the present Government would not last very long in view of the people's awakening and determination.

He suggested a constitutional amendment to allow Supreme Court judges to run the country in the transition period between the end of the present Government and the establishment of democratic rule.

Air Marshal Asghar Khan Advocates Autonomy For East Pakistan:

Speaking at a public meeting in Dacca in the third week of December, 1968, Air Marshal Asghar Khan advocated fullest possible autonomy for East Pakistan.

Giving his reasons, he said that the Centre was 1900 km away from the East Wing and this made it difficult for the Centre to administer it. Moreover, an equal share in political power for the East Pakistanis was the only answer to their sense of frustration. This alone could bring about a democratic process in the country.

Speaking on inter-Wing disparity, he said that armed forces and civil service of the country were predominantly West Pakistani and there was parity between the two Wings only in respect of the Government's repression.

Lt.-Gen. M. Azam Khan's Criticism:

Lt-Gen. Mohammad Azam Khan, a former Governor of East Pakistan, said in Lahore in December 24, 1968 that the people of Pakistan must keep up their present struggle to attain their basic rights of political freedom.

He strongly criticized President Ayub Khan's Government and said it had not lived up to the ideals for which Pakistan was created.

He said: "Pakistan was created so that we could live as free and honourable citizens in an atmosphere of social and economic justice which will be clear of all suspicion, hatred and repression. Unfortunately, it has not been so owing to a long period of undemocratic rule which brought in its wake all the familiar evils—a repressive policy, a gagged Press, a pressurized judiciary and a regimented intelligentsia—all of which are eating into the very body politic of the country."

Capt. Gohar Ayub Divested Of Party Post:

On December 21, 1968, President Ayub Khan removed his son, Capt. Gohar Ayub, from a key post in the ruling Muslim League and named a successor.

His post as chairman of the Muslim League Co-ordination Council in Karachi, it was announced, would be taken by the West Pakistan Health Minister, Begum Khaliquzzaman.

Observers said that the move might be intended to counter recent anti-Government unrest, as Capt. Ayub's rise to political authority six months ago aroused mixed feelings.

Capt. Gohar Ayub, in his mid-thirties, is a member of the National Assembly.

Demonstrations Continue:

It was stated in Lahore on December 20, 1968 that more than 100 persons had been arrested in West Pakistan for allegedly violating a law prohibiting the assembly of five persons or more.

In Dera, 55 leaders and workers of the Pakistan Democratic Movement—an alliance of Opposition parties—were arrested and in Sialkot 50 lawyers were taken into custody.

In Lahore, 11 lawyers were charged with violating a ban on processions and public meetings as they observed nation-wide "anti-repression day" on December 19, 1968. The police hosed demonstrating black-clad lawyers with coloured water.

On December 22, 1968, robed and bearded mullahs (Muslim divines) and students clashed with the police in a three-hour demonstration in Rawalpindi as the Pakistani capital celebrated the Muslim feast of Id-ul-Fitr.

Ban On Demonstrations Lifted:

On December 23, 1968, the Government lifted a week-long ban on all political demonstrations in the streets of Rawalpindi and Karachi.

The ban, ordered after five weeks of anti-Government protest marches, was abandoned because it had been virtually ignored.

A Government **communique** said that an earlier law banning demonstrations involving more than five persons also would be dropped. For all future processions, it said, police permission would have to be secured 24 hours in advance.

(**The Pakistan Times**, Lahore, **Radio Pakistan, The Statesman,** Calcutta and **The Hindu**, Madras)

[Prev. ref. 8699:PAK:A]

ASIA OUTSIDE ASIA

A. UN General Assembly Session Concludes: The 23rd session of the UN General Assembly ended on December 21, 1968.

The Assembly President, the Guatemalan Foreign Minister, Mr. Emilio Arenales, declared it adjourned.

The Assembly's final act was the adoption of a record UN Budget of $154,915,250 for 1969 — $13,127,500 more than was spent in 1968.

In what seemed an attack on the newer UN members, Mr. Arenales complained that a large number of delegates had an "unrealistic and emotional approach." Often they forgot that "the evils of this world are not cured simply by negotiated resolutions but the actions of Governments," and "often emotion is placed before reason, regardless of the consequences for the Organization or for the world".

These remarks of Dr. Arenales—which several delegates described as "intemperate" and angered the Afro-Asians, Arabs and even some Latin Americans—threatened at one stage to disrupt the normally staid ceremonial closing of the Assembly, compelling him to revise his speech.

For instance, in line with the US view of the General Assembly, which the US representative, Mr. Wiggins had expressed in a speech at a Press forum in Washington earlier in the same week, Dr. Arenales (in his prepared text) had castigated members for what he called "demagogic approach of a majority of delegates" —presumably a reference to the Afro-Asian move to suspend South Africa from the UNCTAD by Assembly vote.

The passage in the text had read: "I believe that the most striking feature, which I have repeatedly observed during this Assembly, and which is a defect of UN, is the unrealistic, emotional, and I might even say, demagogic approach of a majority of delegates."

In his revised speech, Dr. Arenales criticized the membership for being "unrealistic" and "emotional," but deleted the reference to "demagogic approach of a majority of delegates."

In another passage of the original text, Dr. Arenales had frowned upon the Assembly debate of the West Asia issue with this remark: "The question of West Asia, a perennial UN item since 1948, has been practically exhausted in the floods of oratory to no practical purpose."

This paragraph was also modified in the revised speech.

Usually, at the end of an Assembly session, members representing regional groups offer praise to the President. But when the delegates read the prepared text which had been circulated to the Press in advance several of them, who had been scheduled to congratulate Dr. Arenales, took their names off the speakers' list.

A "Resume" Of Session:

The General Assembly session, it was stated, touched a new low in the world Organization's history for boredom, unproductivity and frustration.

At the end of the 11-week session, diplomats could not find any notable event which would mark this Assembly.

Three factors contributed to this situation:

(1) The Soviet Union was on the defensive and took no new initiatives but played it in a low key because of its own embroilment in Czechoslovakia.

(2) The United States was marking time because of the Presidential election and change-over in the Administration.

(3) The small Powers began to realize more and more the utter futility of the Assembly's resolutions that made not the slightest impact on any of the major world problems and issues.

Early in the session, one communist diplomat remarked that the Assembly could be called a "chewing gum session," and added that the only danger was that it could become a "bubble gum session"—a reference to the type of chewing gum that American children are fond of and which, after considerable chewing, they can blow into bubbles that explode harmlessly.

On every subject the Assembly adopted the usual run of resolutions. But, neither in the sponsoring of such resolutions nor in the negotiations that usually take place in the corridors, nor in their adoption, did the diplomats show much zest.

The Soviet Union, which almost every year used to come forward with some new move, had none this session. And even though the Soviet Union and USA presented a picture of being at each other's throat because of Czechoslovakia, there was enough other evidence of collusion between the two super-Powers to make cynical diplomats and members of the Press Corps more disillusioned than before.

When the session began, there were predictions that USA and the West would raise the Czechoslovak issue in the world forum. The West played in a low key and raised the issue only in the Assembly's Legal Committee, but even this had little impact, because, at the same time that the US delegate, Mr. Sherman Cooper, was denouncing the Soviet Union for its invasion of Czechoslovakia, President L. B. Johnson and the Secretary of State, Mr. Dean Rusk, were wooing the Soviet Union to agree to a "summit" with President Johnson.

On disarmament, sea-bed and other items of interest to the majority of small Powers, USA and the Soviet Union continued to follow parallel, if not identical, courses.

The two super-Powers, aware that their positions could only block Assembly action unfavourable to them but not persuade the Assembly to take a positive course of action, contented themselves with negative positions.

Even on the nuclear non-proliferation question, the two super-Powers bowed to the views of the major near-nuclear Powers and did not attempt to get Assembly endorsement or get a call by the Assembly for early action to bring the Treaty into force. But, they also blocked, at least temporarily, a move by non-nuclear Powers to convene a Disarmament Commission meeting where the question of security guarantees to the non-nuclear Powers could have been reopened.

Following the decision by the UNCTAD in New Delhi, the Afro-Asians made an attempt to expel South Africa from UNCTAD, but this was blocked by active Western efforts and Soviet coolness and abstention despite Soviet support to it at the New Delhi meeting. The resolution, though it obtained a simple majority, failed to get the necessary two-thirds majority.

Even on economic and social matters, where it is now fashionable to say that UN is playing a more constructive and important role, efforts of the developing countries to get meaningful structural changes, such as political level meetings of UNCTAD's bodies, were frustrated by the opposition of Western and Eastern developed countries.

Though the Assembly adopted a resolution favouring such a course of action, this was diluted to the point that both the West and the East made clear that such a meeting could only be convened with their consent.

(**The Statesman**, Calcutta, **The Times of India**, Bombay and **The New York Times**)

[Prev. ref. 7524:AOA:A, 8318:AOA: I]

B. UN Human Rights Prizes: Chief Albert Luthuli, South African Nobel Peace Prize winner and Mrs. Eleanor Roosevelt of USA were honoured posthumously by UN on December 2, 1968 for outstanding achievements in human rights.

Chief Albert Luthuli, who died in a train accident in 1967, was a spokesman for his people for 40 years against the policy and practice of **apartheid** in South Africa. He was President of the African National Congress until the party was banned in 1960. In 1961 he was awarded the Nobel Peace Prize for his support of non-violent change.

Mrs. Roosevelt, wife of the late President Franklin D. Roosevelt was Chairman of the UN Human Rights Commission from its first session in January, 1947 until after the Declaration on Human Rights was proclaimed on December 10, 1948.

Other winners of the first UN human rights prizes were Mr. Manuel Bianchi of Chile, Mr. Rene Cassin of France, Mrs. Mehranguiz Manoutcherian of Iran and Mr. Peter Emelyanovich Nedbailo of the Ukraine.

The prizes, awarded to mark the 20th anniversary of the Universal Declaration of Human Rights, were presented to the winners or their representatives at a ceremony in New York on December 9, 1968.

(**The New Times**)

[Prev. ref. 7121:AOA:A]

C. Admissions To UNIDO: The UN General Assembly on November 19, 1968 approved the admission of Mauritius, South Yemen, Equatorial Guinea and Swaziland as members of the UN Industrial Development Organization (UNIDO.) The Assembly, without objection, also endorsed an appeal for increased financial support for the UN Institute for Training and Research.

To fill 15 seats of the Industrial Development Board of the United Nations Industrial Development Organization (UNIDO) which became vacant on January 1, the Assembly elected Brazil, Chile, Cuba, France, India, Iraq, Japan, Kuwait, Netherlands, Poland, Sudan, Thailand, United States and Upper Volta.

Acting on recommendations of its Second Committee, the Assembly also requested the Secretary-General to include, in his future report on natural resources, a comprehensive account of the implementation of recommendations set forth in the resolution which stated that United Nations should undertake a maximum concerted effort to enable all countries to exercise the right of permanent sovereignty over their natural resources. The resolution was approved by 94 votes in favour to none against, with nine abstentions.

By a vote of 94 to none, with 15 abstentions, the Assembly requested that member-States be asked to *submit, in studies of the economic* consequences of disarmament, considerations of the expected consequences of important partial disarmament measures.

(UN Newsletter)

D. US Warships' Cruise In Black Sea: The American warships **Dyess** and **Turner** left the Black Sea on December 12, 1968 after a four-day show-the-flag mission that stirred anger in Moscow and a controversy in Turkey.

The US 3,500-ton destroyers had entered the Black Sea amid Soviet protests on December 9, 1968. They were **en route** to re-join the US Sixth Fleet in the Mediterranean. The destroyers had been shadowed by Soviet ships and overflown by Soviet planes during their cruise—the second by American ships in the Black Sea in 1968.

US naval officials in Washington pointed out that this was the eighth time in four years that ships of the US Sixth Fleet had cruised in the Black Sea, which is ringed by the Soviet Union, Rumania, Bulgaria and the NATO-member, Turkey.

The Russians said it was still a provocation, even though it was not the first time it had happened.

The United States and Turkey had rejected Soviet complaints that the entry of US destroyers into the Black Sea violated the Montreux Convention regulating the passage of foreign ships through the Bosphorus Straits between Europe and Turkey.

Soviet Navy Withdrawal From The Mediterranean:

In a surprise move, the Soviet Union withdrew nearly half her fleet from the Mediterranean and transferred it to Russian waters.

Of the 50 odd ships which Russia had sent into the Mediterranean since the 1967 six-day Arab-Israeli war, only some 35 remain. Half of these were understood to be supply vessels.

The Russians also withdrew from the Mediterranean their latest show-piece, the helicopter-carrying missile-cruiser, **Moskva,** and some destroyers.

The reasons for the quiet withdrawal of Soviet naval vessels from the Mediterranean were not known.

(The Times, London and **The New York Times)**

[Prev. ref. 7852:ISR:A, 8713:AOA:D]

E. Economic Development Of Siberia: According to Mr. M. Bandman, a leading official of the Akademgorodko Economic Institute in Novosibirsk on December 4, 1968, about 20 or 30 years from now, Siberia will be the Soviet Union's key area for production of oil gas, non-ferrous metals, timber and electric power.

He said Siberia was currently producing every hour 632 tons of steel, 781 tons of iron-ore, 535 tons of non-ferrous metal, 14,900 tons of coal and 8,900,000 kilowatt-hours of electric power.

The Bratsk hydro-electric power station, which was the biggest in the world, alone produced 21,700 million kilowatt-hours per year. An even bigger plant was nearing completion at Krasnoiarsk and another at Sayano-Shushenskoi had been started on the River Yennissei.

This Institute had for a decade been studying the economic development of Siberia, whose riches have been exploited at a faster pace from the time of the German invasion of USSR 25 years ago.

(The Statesman, New Delhi)

[Prev. ref. 7025:AOA:F, 7095:GAP:B]

F. Warsaw Pact Countries' Conference: A conference of Warsaw Pact countries ended in Bucharest on November 29, 1968, but the **communique** on it failed to make any mention of manoeuvres in Rumania.

It merely said that "the conference discussed present-day problems in connexion with the combat training of the troops and the steady strengthening of the fighting capacity of the Warsaw Treaty member-States."

The meeting had begun three days earlier amid rumours of new Kremlin pressure on Rumania to allow allied troops on her territory for joint manoeuvres. Observers said they thought the Rumanians would not be able to stall such manoeuvres indefinitely, but they might be able to get safeguards that Soviet and other troops would leave the country immediately after the exercise. There was speculation that the manoeuvres would be held next Spring.

(The Times of India, New Delhi)

[Prev. ref. 8578:AOA:L]

G. Czech Friendship Treaties With Three Warsaw Pact Countries: The Czechoslovak National Assembly approved in Prague on December 22, 1968 friendship treaties with three Warsaw Pact nations, two of which marched their troops on to her soil on August 21, 1968.

In three separate votes, it passed treaties of friendship, co-operation and mutual assistance with Bulgaria, Rumania and Hungary.

All three documents were signed before August 21, 1968—the one with Rumania only three days before Soviet, Hungary, Polish and East German troops marched into Czechoslovakia.

(The Times, London)

[Prev. ref. 8712:AOA:A]

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ASIAN RECORDER

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CAMBODIA

A. Economic Progress: A despatch in **The Times** (London) from its correspondent, who recently visited Cambodia, says that the country under the Head of State, Prince Norodom Sihanouk, has achieved remarkable progress in the scale and diversity of industrialization.

Thirteen years ago there were no State enterprises and no "mixed" firms with private and Government capital. Now there were 28 and 29 of each, respectively. The number of medium and small enterprises in the private sector had gone up during the period from 650 to 3,700.

The despatch quoted the Prince as stating that most of all these had been financed by Cambodia's own resources. There had been foreign assistance, but limited in industrial terms. Only six of the State enterprises were outright gifts—from China. Technical aid had come from, among others, Czechoslovakia, Yugoslavia and especially France, but Cambodia was paying for construction of factories herself.

At Sihanoukville, where a port and industrial centre was being carved out of what was virgin coast in 1954, the gift from France was the initial four-berth facility. The rest, in the Prince's words, would four years hence have cost 2,000 million riels (nearly £24 million) or one-third of the national Budget.

Sihanoukville is the country's only seaport and eventually its proposed 20 cargo berths will be adjacent to the "free zone", which would be expanded over some 700 acres of reclaimed land. It was intended as the investor's dream.

There would be no Government intervention in the free use and disposal of foreign currency. No customs duties would be applied (except for goods imported from the zone into Cambodia proper.) There would be no turnover taxes nor application of domestic legislation on prices. Indeed, the prospectus foresaw only a contribution to the continuing modernization and maintenance of the zone's facilities.

Guarantees against nationalization which, inside Cambodia, had been put at between 10 and 20 years, were recently informally extended by the Prince to 30 years in cases of industries especially helpful to the Cambodian economy.

(**The Times**, London)

[Prev. ref. 8108:CAM:A]

B. Protest Against American "Aggression": Fresh allegations of aggression by American forces on the Cambodia-Viet-Nam border were made in Pnom Penh in the last week of November, 1968.

In a telegram to the UN Secretary-General, U Thant, the Head of State, Prince Norodom Sihanouk, alleged that American forces had killed 12 and wounded six Cambodians, all women and children.

He said: "I make a solemn plea for steps and international action to be taken immediately to constrain the American Government and put an end at once to the Cambodian frontier killing."

He said the people had reached the limit of their patience after several years of these violations of territory and added: "If USA perseveres in its crimes as a means of intimidating Cambodians, Cambodia would be led speedily to fight against US war enterprises". American aggression in Cambodia could even threaten world peace.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8395:CAM:A, 8490:CAM:A]

C. Film Festival: An international film festival was held in Pnom Penh in the last week of November, 1968.

The jury at the festival awarded its top prize, a statuette representing a celestial dancer, to the Head of State, Prince Norodom Sihanouk, for direction of **Le Petit Prince.**

The second prize in the category for full length feature films went to Japan for the film **The Three Faces of Love** which also won the award for the best actress.

Other prizes included best actor (Poland), best direction (Romania) and best photography (Czechoslovakia). The Soviet Union won a prize for background music.

The award for the best short film went to Canada's **Pas de Deux,** with the second prize going to the South Viet-Nam National Liberation Front production **Riz Region Ceinture** (rice belt).

The international Press jury gave its first prize to the Cambodian film **Royal Cortege** and the second to North Viet-Nam for **An Exploit.**

(**The Indian Express,** New Delhi)

[Prev. ref. 8559:CEY:D]

CHINA

A. Educational Reforms: A national "do-it-yourself" campaign has been launched for a complete reform of the educational system under the direction of peasants and workers.

The movement has been gathering impetus since last Spring but received national approval on November 13, 1968 when the Peking **People's Daily** officially suggested that all State-run primary schools in the countryside be put under the peasant production brigades and run by them. This was followed by similar directives for factories to take over the management of primary schools in the towns.

The primary aim of the campaign is ideological and the main emphasis is on the study of the thoughts of Mr. Mao Tse-tung. The **People's Daily** also emphasized the need to cut down Government expenditure on school subsidies, the maintenance of school buildings and teachers' wages.

A principal recommendation was that teachers should no longer be paid by the Government but by the production brigades on the basis of work-points. Under this scheme, a primary school teacher would get roughly the same work points as a labourer. Allocations of State funds for schools would be abolished or severely limited.

The authority of the headmaster over the school and of the teacher over his class was abolished. Entrance examinations, marks, traditional rewards and punishments and school-leaving certificates were swept into limbo. There was no question of student power, however. In fact, the workers and peasants now in charge of education were strongly prejudiced against student intellectuals.

Observers in Hong Kong regarded the present educational reform in China as a strongly conservative movement with overtones of decentralization, since Peking appeared to be content to leave the whole business of primary education to local authorities. The mood of the reforms was authoritarian and the present trend seemed to be a reaction against the undisciplined excesses of the Red Guards at the height of the Cultural Revolution in 1967.

(**The Times,** London)

[Prev. ref. 8123:CHI:F, 8549:CHI:A]

B. **Promotion Of Traditional Medicine:** An emphasis on traditional Chinese medicine is evident in an effort to build a "new unified medical science" which would strongly rely on Mr. Mao Tse-tung's thought for guidance.

The authorities have reportedly established Chinese-medicine hospitals in Peking and a dozen other big cities, plus 20 universities of traditional medicine, chairs of History of Traditional Medicine and an Experimental Institute of Acupuncture and Moxibustion.

Radio Hupeh had urged earlier in 1968 that leadership groups be formed at all levels: (1) "to organize Western medical practitioners to learn from practitioners of Chinese medicine," (2) "to integrate Western and Chinese medicine" and (3) "to establish a new unified medical science and pharmacology of China with Mr. Mao Tse-tung's thought as the guiding principle."

Traditional Chinese medicine, which treats diseases by centuries-old empirical methods, lost much of its popularity among China's city-dwellers with the advent of Western medicine at the turn of the 20th century. However, it has retained an important role in the rural areas.

After the communist take-over in China in 1949, traditional medicine had regained some of its former esteem. In the early 1950s, friction and antagonism reportedly existed between doctors of Western training (hsi-i) and traditional Chinese doctors (chung-i), each looking upon the other with scorn. But in 1954, the two groups joined forces to form an organization called the Chinese Medical Association.

It is estimated that China has some 500,000 traditional-style doctors and about 115,000 Western-style doctors with at least five years of training after high school. The two types of physicians often work together in hospitals.

Public Health Policies:

The Cultural Revolution has, meanwhile, brought deep changes in Chinese policies and practices regarding public health and medical treatment services.

The aim of this "revolutionary transformation" has apparently been to provide more medical treatment for the rural people at the expense of the city-dwellers. Towards this end, large numbers of medical and public health workers have been transferred to the countryside, and new concepts of medical education have been introduced to train more workers in this field.

This campaign which began in 1965 was wider in scope than earlier endeavours and was apparently aimed at changing the very structure of medical and public health training, doctrine, organization and practice.

But, not long after this campaign began, the Cultural Revolution intervened. Red Guards voiced support for the reform programme in medicine and public-health. Medical schools became hotbeds of Red Guard activity.

However, practical progress stopped because of political struggles and factionalism which affected most parts of China. Apparently, the reform programme was practically paralyzed.

With a degree of order re-established in the Summer and Fall of 1968, the programme of overhauling the entire medical system supposedly has begun anew.

(**China Reporting Service,** Hong Kong)

C. **Potala Palace Still Sealed:** Mr. Lobsang Donyu, a Tibetan refugee who recently fled Tibet to seek safety in India, told **The Tibetan Review,** a monthly journal published from Darjeeling, that the famous Potala palace in Tibet which used to be the Dalai Lama's winter palace was still totally sealed to the Tibetans and even the Chinese themselves were unaware of what was going on inside it.

After the 1959 national uprising, the Chinese took away truck-loads of valuables to China from this palace.

Mr. Lobsang said that a detachment of Chinese troops was posted within Potala to guard it. Spaces on the facade of the building are covered with quotations from Mr. Mao Tse-tung.

In another story quoting another Tibetan refugee who recently escaped Tibet to Bhutan, **The Tibetan Review** said that despite restrictions on their movement, Tibetans always sought chances to get out of Tibet. Many of the fleeing Tibetans are caught, questioned and killed for opposing the "party and people."

(**The Statesman,** Calcutta)

[Prev. ref. 7650:INI:E]

INDIA

SUMMARY: Mrs. Indira Gandhi On Foreign Affairs; Two US Loans; International Geographical Congress; Joint Ventures; Foreign Industrial Collaboration Policy Liberalized; Sardar Swaran Singh On Defence Preparedness.

A. **Assessment Of External Relations—Mrs. Indira Gandhi's News Conference:** At a news conference in New Delhi on January 1, the Prime Minister, Mrs. Indira Gandhi visualized the possibility of finding some way of resolving the dispute with China.

In a brief assessment of the country's external relations, she saw no reason for any change in the mutual attitudes of India and USA over Mr. Nixon's election as President.

Similarly, the Soviet supply of military hardware to Pakistan should not make any difference in the overall relations between India and USSR. As for Mr. Michael Stewart's recent "get-to-know-each other" visit to this country, she commented on the "very useful" talks the Government of India had with the British Foreign Secretary. India was able to put forward its point of view on various issues effectively.

Asked whether a dialogue with China was possible, she replied that however difficult the situation might seem, it was always possible in the changing world situation to find a way out. Whatever steps were taken would obviously have to be in keeping with national interest and honour.

A correspondent asked whether it was possible to overlook the fact that China had occupied Indian territory in starting a dialogue with it. Mrs. Gandhi replied: "I do not think you can ever forget the past." It was also true that Peking maintained its anti-Indian propaganda campaign and also helped hostile Naga and Mizo elements, but all these were aspects of the present situation. But how did one solve a problem by sticking to a particular stand?

She refused to comment on the internal affairs of Pakistan. But when she was asked for her reaction to President Ayub Khan's offer of a no-war pact, she replied that India had always been anxious for such a pact. But obviously, a no-war pact would have no meaning if one side insisted that other things must be settled first. What could be tackled first would be the question of evolving a bilateral machinery at whatever level to go into various issues.

When the perennial question of India's continued membership of the Commonwealth was raised, she pointed out that it provided a forum in which each country could express its views on different problems and also for joint action to the extent possible, even if that was not always successful. Its present composition was such that "it is certainly not a British Commonwealth."

An Egyptian journalist asked about the prospects of a settlement of the West Asia problem. Mrs. Gandhi observed that the recent provocative and deplorable bombing incident (on Beirut international airport) seemed to have dashed hopes of arriving at a settlement between Israel and the Arab States. The situation today was very much worse than it was even a short while ago. In the prevailing atmosphere, she did not think India could do anything in the matter.

Internal Situation:

Dealing with questions on Congress affairs, Mrs. Gandhi maintained that the party had proved much stronger now than it had been credited with in certain quarters. In the choice of candidates for the mid-term poll, there was no question of getting rid of old Congressmen. Certain circumstances had been kept in view while selecting candidates.

She was non-committal on the implementation of the three-language formula.

Explaining the Government's attitude towards Mr. Nath Pai's Bill to amend the Constitution, she said there were constitutional pundits on both sides. The Government did support the Bill, but some changes were made by a joint committee. It was neither the Government's intention nor of Mr. Nath Pai that fundamental rights should be restricted except when it came to a conflict of rights between two citizens.

In reply to further questions, she said that there were "tangible signs" of recovery in the economy and the prospects for the New Year were bright. If the year went on as it promised, then there would be no problem finding financial resources for the Plan.

She expressed general satisfaction with the improvement in the overall economic situation and hoped that a rise in production would have a favourable impact on prices. She noted with happiness that agricultural production was very good and exports were on the increase.

When a correspondent suggested that there was indecision in the Government on many matters, she refused it firmly. She conceded that there might be delay in taking a decision on one or two projects, but that was because the Government wanted to take the decision at the right time.

In some cases, she revealed, decisions might have been taken but might not be announced. She did not, however, elaborate on this point; nor did she mention the cases she had in mind.

When a correspondent pointed out that because of delay and indecision, an American firm—Allied Chemicals—had withdrawn its offer of collaboration in the Tata Chemicals proposal for a fertilizer project in Mithapur, Mrs. Gandhi retorted: "What is wrong with that?" After all, the Tata project was still there, she quipped.

In conclusion, she said that the resolution for the New Year should be to take a "decisive step" towards making freedom real to the people.

"We are still trying to implement the original New Year resolution taken in 1936 (to attain freedom)," she said. "It means making our freedom real to our people. We know it cannot be done in a year, but I think we can take a decisive step, if we can have unity and stability and function together."

(**The Times of India**, New Delhi)

[Prev. ref. 8280:INI:A & B]

B. **Two US Loans:** Two Agreements providing for US loans totalling $231 million (Rs. 173.25 crores) to India were concluded in New Delhi on December 26, 1968.

The larger loan of $194 million (Rs. 145.50 crores) will finance non-project imports covering a wide range of requirements of industry and agriculture.

The other loan of $37 million (Rs. 27.75 crores) will finance imports of machinery required for a four-fold expansion of the Trombay fertilizer plant.

The two loans have been extended by USAID. They are repayable in dollars over 40 years, including a 10-year grace period. The interest will be two per cent per annum during the grace period. For the remaining 30 years it will be 2.5 per cent per annum for the Trombay loan and three per cent for the non-project loan.

(**The Statesman,** New Delhi and **USIS**)

[Prev. ref. 8272:INI:P, 8460:INI:M &N]

C. **Agricultural Commodities Agreement With USA:** An Agreement to give effect to the US Government's decision, already announced, to sell 2.3 million tonnes of wheat and other agricultural commodities to India under PL 480 was signed in New Delhi on December 23, 1968.

The value of the commodities included in this Agreement is Rs. 125.33 crores. Apart from wheat, USA will supply 90,000 tonnes of tallow, 4,000 tonnes of non-fat dry milk and 200 tonnes of tobacco.

India will pay in rupees for three-fifths of the value of the commodities. Sixty-six per cent of these rupees will be loaned by USA to the Government of India to finance development projects.

(**The Times of India** and **USIS**, New Delhi)

[Prev. ref. 8138:INI:M]

D. **Belgian Loan:** On December 18, 1968, Belgium granted India a 125 million Belgian franc (£1 million) loan.

Out of this sum, 70 million francs will be spent on Belgian goods and services.

(**The Times of India,** New Delhi)

[Prev. ref. 8137:INI:K]

E. **Japanese Food Aid:** Japan has decided to give India a food aid grant of $1.62 million (about Rs. 1.2 crores) during the current fiscal year under the International Wheat Agreement.

The amount will come out of $15 million worth of food aid which

Japan agreed to give yearly under the Wheat Agreement reached at the Kennedy Round talks in Geneva in 1967. Out of the total amount for the year between June, 1967 and May, 1969, Japan is to give $7.5 million during the current fiscal year, while the remaining $7.5 million is expected to be allocated next fiscal year beginning in April, 1969. Out of $7.5 million to be disbursed this year, Indonesia gets a lion's share of $5 million, Laos $500,000 and the Palestine refugee relief organization $30,000.

This was the first time that Japan was giving an aid grant to India. During the period of India's food crisis two years ago, Japan had given food aid in the form of credits for purchase of fertilizers and other aids to boost food production.

(**The Hindu,** Madras)

[Prev. ref. 8584:JAP:B]

F. **Canadian Wheat:** The Canadian Federal International Development Agency announced in Ottawa on December 17, 1968 that Canada had agreed to provide India 15,000,000 bushels of wheat valued at about $30,000,000.

The wheat, intended to carry India through a period when reserve stocks were low, was expected to start moving through Canadian ports shortly.

The wheat was a foreign aid gift by Canada to India. The only stipulation was that India create a fund for internal development projects with finance equal to what it would have paid in rupees for the Canadian wheat.

The Canadian shipment would help India build up grain stocks to a level "necessary to maintain full food price stability" and effective food distribution.

(**The Times of India,** New Delhi)

[Prev. ref. 8138:INI:N]

G. **West German Credit For Merchant Fleet:** According to an announcement in Bonn by the Bureau of German Industry, a Rs. 60-crore credit by the West German Government and leading shipyards there would assist India's merchant fleet in its immediate target to double its total gross tonnage by 1971 and transport half of India's exports on her own vessels.

The West German Government was expected to give Rs. 18 crores credit for the fiscal year 1968-69 out of the DM300 million envisaged for the next three years.

The credits would finance construction of new vessels for Indian shipping companies at West German shipyards under a "mixed financing scheme"—one-third in capital aid (with 25 years' repayment period, seven-year grace and 3 per cent interest) and two-thirds in "hermes" credits (10 years and 6 per cent interest).

(**The Statesman,** New Delhi)

[Prev. ref. 8461:INI:S, 8473:INI:K]

H. **Air Transport Agreement With Lebanon:** An Agreement on basic principles to further develop and promote air transport between India and Lebanon was signed in New Delhi on December 6, 1968.

Details will be further discussed later by the designated airlines and the aeronautical authorities in India and Lebanon.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6096:LEB:A]

I. **Industrial Collaboration With Syria:** It was officially learnt in New Delhi on December 25, 1968 that India would supply machinery and equipment to help in the development of railways and in the setting up of a fertilizer plant in Syria.

The public sector fertilizer organization, FACT, would provide the machinery and 'know-how.'

India was also expected to enter into a long-term arrangement for supply of rock phosphate by Syria.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8046:SYR:A]

J. **Air Services Agreement With Yemen:** India and Yemen concluded in Aden on December 15, 1968 an Agreement covering air services between the two countries.

This was the first such agreement concluded between the two countries.

(**The Statesman,** New Delhi)

[Prev. ref. 8422:INI:E]

K. **Trade Talks With North Korea:** According to a Press release issued in New Delhi on December 9, 1968, India and North Korea agreed to increase their mutual trade in the years to come.

North Korea was represented at the talks by its Director-General of Foreign Trade, Mr. Kim Sok Jin, and India by Mr. N. P. Jain, Director, Ministry of Commerce.

Letters were exchanged between the two delegations in regard to trade and payment arrangements for the coming two years. The total trade turnover (both ways) between the two countries is expected to be of the order of Rs. 7 crores in 1969.

India will export to North Korea rolled steel products, engineering goods including aluminium ingots, automobile and railway accessories, tyres and tubes, coke and chemical products, apart from jute goods, tanned hides and skins and mineral ores.

North Korea will export to India special steel including high-speed, stainless and carbon tool, steel, non-ferrous metals, anthracite coal and graphite.

(**The Times of India,** New Delhi)

[Prev. ref. 7480:INI:D]

L. **New Mexican Envoy:** Mr. Carlos Cutierrez Macias was nominated as Mexico's next Ambassador in New Delhi. He is at present Mexico's Ambassador in Sweden.

(**The Times of India,** New Delhi)

[Prev. ref. 8626:INI:A]

M. **Cease-fire In Nagaland Extended:** The cease-fire in Nagaland has been extended by a month from January 1.

The cease-fire has been uninterruptedly in force for over four years since 1964.

(**The Times of India,** New Delhi)

[Prev. ref. 8648:INI:D]

N. **International Geographical Congress:** Inaugurating the 21st International Geographical Congress in New Delhi on December 1, 1968, the Prime Minister, Mrs. Indira Gandhi, warned scientists against working in isolation from their environment and neglecting the non-scientific needs of the world.

She said that she viewed geographers as specialists working with other specialists in an inter-disciplinary endeavour to provide the knowledge to change the world.

Over 1,300 delegates from 75 countries attended the Congress, the first to be held in Asia since it was instituted almost a century ago.

Recounting how India was trying to refashion its "present-day" geography to the people's advantage, she said that to make agriculture a lesser "gamble in the Monsoon", big dams had been constructed to store flood waters. Rivers had been diverted into new channels through mountain tunnels to make irrigation more even. It was the geographer's task "to know and tell us about our environment, but it is everybody's task today to know how to control the environment and use it for the welfare of the mankind."

Listing the problems that geographical knowledge should help tackle, she noted that the nation was confronted with the challenge posed by soil erosion, stopping the onward march of the north-western desert, controlling the flood of the Brahmaputra and many other rivers, preventing the erosion of the Malabar coast and saving "some of our distinctive" wild life from extinction.

Presidential Address:

Mr. S. P. Chatterjee, in his Presidential address, said it was in the field of thematic mapping that geographers had been able to provide a useful tool for planning the economy of a country on a regional basis. Geographers had made substantial contribution to planning for resources development in India by starting a National Atlas Organization in 1956.

This Organization had brought out a complete national atlas for the first time in 1957 and a number of thematic maps subsequently, dealing with various aspects of physical and socio-economic phenomena.

He said the geographical knowledge was being increasingly used in solving many national problems all over the world, particularly relating to floods and drought.

Welcoming the delegates, Mr. T. R. Seshadri, President of the National Institute of Sciences, stressed the importance of international relations among scientists in different regions through participation in scientific programmes and collaboration in special fields.

Office-bearers Of International Geographical Union:

On December 1, 1968, Prof. S. Leszozycki of Poland was elected President of the International Geographical Union for the period 1968-72.

Prof. C. Harris of USA was elected Secretary-General and Treasurer of the Union.

The seven Vice-Presidents were: Mr. S. P. Chatterjee of India and the outgoing President of the Union **(ex-officio)**; Mr. Dresh of France, Mr. Gribaldi of Italy, Mr. Hagersrand of Sweden, Mr. Kalesnik of USSR, Mr. M. J. Wise of UK, and Mr. Zamorano of Argentina.

Mr. Hans Boesch of Switzerland was the outgoing Secretary-General and Treasurer.

The General Assembly admitted the following countries as new members: Guatemala, Jamaica, Malawi, Panama, Philippines, Thailand, Zambia and Hong Kong.

Sierra Leone, Singapore, the Vatican State and Kenya were taken in as associate members.

Geographical Disclosures:

According to a Russian geographer, Mr. A. V. Shnitnikov, the Himalayan glaciation was receding. He said his assumption held true for both the northern and southerns slopes of the Himalayas, with more pronounced recession on the northern slope.

Mr. Fritz Muller (Canada) reported "unexpectedly great aridity" in the **Everest** region.

Among other interesting revelations at the Congress was one made by the only saffron-robed Indian delegate among the 1,500 participants, Swami Pranavananda, throwing new light on the possible sources of the four great rivers—the Brahmaputra, Sutlej, Indus and Karnali.

The Swami, who has carried out extensive explorations in the Mount Kailas and Mansarovar region of Tibet, said the source of the Sutlej was in the Kunlung glacier near Dunchu Gompa, some 50 km east of Mansarovar and that of the Indus in the springs of Sengge Khambab, north-east of Kailas, some 100 km from Mansarovar.

Mr. D. P. Saxena (India) referred to the Vedic period and said that agriculture was first practised in the north Indian plains watered by the now extinct rivers of Saraswati and the Drisadwati. The main crops cultivated during the Vedic times appeared to be barley and rice.

Commission Meetings:

Scholars at the various commission meetings at the Congress on December 4, 1968 were preoccupied with problems of developing countries, particularly the role geographers could play in providing the basis for meaningful planning.

For instance, the commission meeting under the chairmanship of India's Prof. M. Shafi discussed "Applied Geography in Developing Countries". He made useful suggestions like preparation of land maps and conducting country-wsie land surveys. Optimum utilization of land, mapping of cultivable land, relating of land-use maps to the country's population were some of the other suggestions.

Mr. L. R. Singh of Allahabad University stated in his paper that India with its uneven resource distribution and regional variation in economic development, needed a comprehensive Plan for economic development: that is, the future lay in regional planning and geographers should play a major part in the delimitation of the economic planning regions.

Bengal's Prof. J. M. Bhattacharya presented a detailed thesis on "Land Use and Food Problem in West Bengal". He said West Bengal had a chronic food shortage and also very little land to be used as permanent pasture land and for the cultivation of fodder crop.

Prof. I. P. Gerassimov, Prof. S. V. Zona and Prof. V. M. Fridland, from USSR, outlined techniques for preparing a new soil map of India at a scale of 1,40,00,000. Such a map, they felt, could be based on all available detailed maps, field data and general geographical and other data.

Commonwealth Geographical Bureau:

On December 6, 1968, geographers from Commonwealth countries formed a Commonwealth Geographical Bureau with a view to stimulating the study of geography among people in its member-nations.

Prof. K. Kularatnam of Ceylon was elected director of the Bureau. The following were elected members of the provisional committee of its managements: Dr. George Benneh (Ghana), Dr. Samson Odingo (Kenya), Prof. J. Parry (Canada), Prof. R. L. Singh (India), Prof. K. W. Robinson (Australia) and Dr. B. W. Hodder (UK).

The General Assembly of the International Geographers' Union appointed 25 commissions to carry out research in applied geography, medical geography, cartography, to conduct surveys of land use in various countries and to examine regional atlases. One of the commissions would be headed by Dr. R. L. Singh of Banaras Hindu University.

Congress Concludes:

At the closing session of the Congress on December 8, 1968, it chose Montreal (Canada) for its centenary congress to be held in 1972.

The Soviet Union, which earlier missed the opportunity to host a scheduled Congress because of the World War, made a strong bid for the next Congress but lost in the secret ballot by 20 votes to 16, despite Hungary withdrawing its invitation in Moscow's favour.

The Congress adopted a resolution moved from the chair by Prof. S. P. Chatterjee of India deciding that all future congresses and general assemblies of the International Geographical Union "shall be accessible to scientists from all countries without any political discrimination."

Prof. Chatterjee said the Union was eager to get this resolution adopted because there was nothing in its statutes against political discrimination so much so that East Germans had difficulty attending the London Congress four years ago and in South Africans getting to the Delhi Congress.

He added that the Congress had proved to be of great significance to India because some of the papers presented by the Soviet Union and Mexico could serve as guides to better exploit the country's forest wealth. Some 60 per cent of India's forest products were unmarketable because of a lack of 'know-how'.

As for the complaint of some of the Western delegates that the Congress was "mismanaged," he said the location of all sessions in one building in Delhi had provided for better contacts among delegates than the London Congress, where different sections met in different buildings.

(The Times of India and **The Hindustan Times,** New Delhi)

O. Tibetans' Demonstration At Chinese Embassy: Nearly 100 Tibetan refugees entered the Chinese Embassy in New Delhi on December 31, 1968 and there was a scuffle between them and the Chinese Embassy staff. Jeering and gesticulating Chinese were said to have provoked the Tibetans, who had come in a procession, to forcibly enter the premises.

The Tibetans had gone to the Embassy to demonstrate against the insulting behaviour meted out to an Indian editor, Mr. Frank Moraes, in Khatmandu by some Chinese technicians and Chinese workers.

The trouble started when the Tibetans and Indians, standing a little distance from the Embassy gate singing their national songs, were jeered at by the Chinese staff. Two of them were busy taking pictures and waving at the Tibetans which seemed to have provoked the Tibetans. Despite the police cordon, the Tibetans entered the Embassy gate and tried to catch some of the Chinese Embassy members who were fleeing towards the main building.

The Chinese **Charge d'Affaires** in New Delhi later called on the Director of the East Asia Division in the Ministry of External Affairs, and lodged a protest regarding the incidents. The **Charge d' Affaires** was told that the authorities were investigating the matter and that some persons had already been arrested.

On January 3, China protested against the demonstration by Tibetan refugees near its Embassy in New Delhi and demanded that the Government of India pay compensation and punish the "Indian ruffians and Tibetan traitor bandits."

The Government of India expressed regret for the incident and the matter was closed.

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 7129:INI:M, 7651:INI:E]

P. Investments In Indian Enterprises—State Policy Liberalized: The Government announced on December 10, 1968 liberalization of the policy governing investments in Indian enterprises by non-residents of Indian origin living abroad.

Under the liberalized policy, non-residents will be allowed to make investments in proprietorship and partnership concerns in addition to floating companies of their own.

The scheme allowing non-residents of Indian origin to engage themselves in any industrial activity by floating joint stock companies was announced in September, 1968, but the response to this had been rather discouraging.

It was found that the scheme prevented non-residents with insufficient savings from floating companies of their own in this country or from making any investments in Indian industries. It was noticed that such persons of moderate means invested their savings in European equities.

Even though the policy had been liberalized, it still prohibits a non-resident investor from repatriating the capital invested or profits earned thereon. The other conditions continue to be in force.

For instance, where a non-resident investor floats a joint stock company he should associate progressively resident Indian participation in the company at least to the extent of 49 per cent of the equity capital within a reasonable period, say five years, if not initially. So long as the non-resident does not take Indian citizenship, all amounts due to him should be credited to his non-resident blocked account in India.

The liberalized policy will be in force on an experimental basis for three years. Under the policy, non-residents can engage themselves in trading and business activities under any form of management.

(The Hindu, Madras)

[Prev. ref. 7946:INI:J, 8474:INI:O]

Q. Joint Collaboration Ventures In 25 Countries: According to details available in New Delhi on January 1, the Government had so far given approval for the setting up of 64 joint collaboration ventures in 25 foreign countries by Indian industrialists.

The figure did not include three collaboration arrangements which had been abandoned by industrialists. Some of them were yet to start operation.

Maximum number of joint ventures were in Kenya (9), followed by Ethiopia (7), Malaysia and Nigeria (6 each) and Ceylon and Iran (5 each).

Region-wise, maximum collaborations were in Africa (32 in eight countries) followed by South Asia (15 in five countries). Other regions were West Asia, East Asia, Western Europe, which included Ireland and the United Kingdom, North America including Canada, South America and the West Indies.

Among the large number of products covered by the joint ventures were cotton and woollen textiles, agricultural tractors, pharmaceuticals, light engineering, paper, pulp, re-rolling mill, sugar, jute, sewing machines, trucks, automotive components, transformers, air-conditioning, vanaspati and asbestos cement products.

(The Hindu, Madras)

[Prev. ref. 8494:INI:E]

R. Foreign Collaboration To Be Permitted—Industrial Policy Relaxed: It was announced in New Delhi on January 3 that the Central Government had decided to allow foreign collaboration even in low priority or non-essential fields of industry and in trading activities, provided they were essentially export-oriented.

This was stated by the Minister for Industrial Development, Mr. Fakhruddin Ali Ahmed, while inaugurating a two-day meeting of the Central Advisory Council of Industries.

He, however, made it clear that the policy relaxation would cover only such joint ventures in which the foreign collaborator agreed "to underwrite a major share of the production for exports."

Regarding the trading activities, he said, the existing policy of not allowing foreign collaboration in them might be relaxed if such collaboration aimed at augmenting the country's export sales.

In pursuance of these decisions, he also spelt out what he called the new "guidelines" in respect of foreign collaboration agreements which would henceforth be "stringently scrutinized" to eliminate export restrictions. He insisted that foreign collaboration agreements should allow free export of the products of joint ventures to all countries except, perhaps, to the country of the foreign collaborator or the countries where the foreign collaborator was having joint ventures in the same field of production.

(**The Times of India**, New Delhi)

[Prev. ref. 7946:INI:J]

S. Foreign Collaboration In Industry—Reserve Bank Survey: A survey on "Foreign Collaboration in Indian Industry" undertaken by the Reserve Bank of India, and released in Bombay on December 29, 1968, pointed out that total dividend remittances by subsidiaries and the minority group increased from over Rs. 11 crores in 1960-61 to an estimated Rs. 22 crores in 1966-67.

A little over four-fifths of the total dividend remittance was due to subsidiaries. Royalty remittances increased from Rs. 1.5 crores in 1960-61 to an estimated Rs. 8 crores in 1966-67. Remittances of technical fees did not show any clear trend and ranged between Rs. 3 crores and Rs. 5.6 crores. Of the total remittances of Rs. 27 crores of technical fees during 1960-61 to 1966-67, about 44 per cent was by the subsidiaries and 34 per cent by the minority group.

Between January, 1948 and March, 1964, the Government granted approvals for about 2,200 foreign collaboration agreements, of which four-fifths were by companies. Of these 1,051 agreements, which related to companies, were "effective."

The survey covered 827 private sector companies, of which 224 were subsidiaries, 367 minority foreign capital participation companies and 236 pure technical collaboration companies. In addition, the survey covered 69 companies with 78 agreements which were approved prior to March 31, 1964 but came into force after March 31, 1964, thus bringing the total number of "effective" agreements to 1,051.

The survey pointed out that about two-fifths of these 1,051 collaboration agreements were with the UK. The USA and West Germany accounted respectively for about 19 per cent and 14 per cent. Well over 95 per cent of the agreements related to the manufacturing sector. Among the assets, transferred under these technical collaboration agreements, 'know-how' alone or in combination with patents and trade marks featured prominently in the majority of cases. More than 70 per cent of the agreements gave exclusive rights to the Indian collaborators for the assets transferred under these agreements. Agreements with exclusive rights were proportionately more for the minority participation group than for the other two groups of companies.

The survey also covered 24 Government companies with 97 agreements. The royalty remittances of these companies rose from Rs. 15,00,000 in 1960-61 to an estimated Rs. 64,00,000 in 1966-67. Most of the technical collaboration remittances of these companies were by way of technical fees which averaged around Rs. 3.8 crores per annum during the seven-year period. The foreign exchange outlay on foreign technicians was about Rs. 2.7 crores in 1963-64.

(**The Times of India**, Bombay)

[Prev. ref. 7946:INI:J, 8494:INI:E]

T. Sardar Swaran Singh On Defence Preparedness: The Defence Minister, Sardar Swaran Singh, reassured Parliament on December 12, 1968 about the country's state of defence preparedness both in the matter of logistics and equipment.

Intervening in a 3½-hour debate raised by Mr. Prakash Vir Shastri (Ind) in the Lok Sabha on the situation arising out of the increasing tension on the Indian borders due to Pakistani and Chinese activities, he observed that while the country had always to remain vigilant and prepared, the hostile postures of the two neighbouring countries had to be tackled on a long-range basis. There was no short-cut nor an easy solution to these problems. "While hoping that there would be peace on the borders, we must always be prepared for war if it comes."

He said it was true that an estimated 1,30,000 to 1,50,000 Chinese soldiers continued to march along the border both in the eastern and western sectors. They had also developed better lines of communications by constructing parallel and radial roads. But, "we have also over these years opened up the mighty Himalayas and have now established and improved very much our communications. Our soldiers also on this border are in position."

The Chinese had installed loudspeakers at their posts and carried on incessant propaganda broadcasts. "We also sometimes do this. An interesting thing is that sometimes the Chinese soldiers, getting bored by listening to their own propaganda, listened to music from our side and seemed to appreciate it."

China was pursuing a single-minded policy of pressurizing India. Its sole object was to disrupt India's democratic way of life. The exchange of delegations between China and Pakistan, the statements in both countries maligning India in every possible manner and the support which Peking was giving to Pakistan in the shape of military equipment and in the form of propaganda were all abundant proof of the collusion between the two countries.

Dealing with criticism about the quality of India's defence equipment, Sardar Swaran Singh warned the House that it was dangerous to give the impression, even impliedly, that the equipment with the armed forces was not up to the mark. Nothing could be more demoralizing to the fighting forces than creating a doubt in their minds about the effectiveness of the equipment they were handling.

The main points of criticism were that the problems facing the country were largely due to the failure of the Government on the diplomatic front, that it had not learnt lessons from the 1962 confrontation with China and that there was no "contingency planning."

Slight Shift In China Policy:

The Prime Minister, Mrs. Indira Gandhi indicated on December 12, 1968 in the Rajya Sabha a slight shift in the Government policy towards China. Hinting that the Government may not insist on Peking's prior acceptance of the Colombo Proposals for talks, she said India was not taking a rigid attitude and had an 'open mind' on the question of improving relations with China.

She said there was as yet no indication of a rethinking on the part of China. She also took note of the fact that China behaved in an unpredictable way and it was not known "what sort of reception" an

Indian Ambassador would get in Peking.

(**The Times of India** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8281:INI:D]

U. First MIG-21 Aircraft Engine Delivered: On December 29, 1968, India crossed a major military and technological land-mark with the delivery of the first MIG-21 engine from the factory at Koraput. This, the first Mach-2 engine, moves the country's aircraft industry into the supersonic field which no other developing country has so far entered.

The delivery of the engine also signifies that all three MIG factories are now operational. The airframe plant in Nasik started in 1966, four years after the MIG deal was concluded with the Soviet Union. The avionics factory in Hyderabad came into production the following year.

Koraput is behind schedule. But this is largely because engines call for the most sophisticated workmanship and testing. An engine has over 10,000 individual parts and components. Koraput accounts for an outlay of Rs. 35 crores out of the total of Rs. 80 crores for the three MIG plants. In terms of capacity, it is larger than the country's other aero engine plant in Bangalore which produces power plants for the Gnat and the HF-24 fighters, the Alouette helicopter and a jet trainer.

(**The Hindu**, Madras)

[Prev. ref. 5235:INI:M, 7966:INI:D]

V. Vampire Jets To Be Withdrawn From IAF: It was disclosed in New Delhi on December 29, 1968 that Vampire jets in use with the Indian Air Force since 1948 would be withdrawn from active use after two decades of combat-cum-training service. These would be replaced by the new India-made HJT-16 aircraft fitted with the HJE-2500 engines.

Vampires were being used for the past few years for jet training of Air Force cadets.

The HJE-2500 jet engines had been developed at the Hindustan Aeronautics Limited factory and were now undergoing tests. Before these were formally cleared for use on the HJT-16 aircraft, the latter would be using imported Viper jet engines.

The Indian developed aircraft have very nearly the same performance as Vampire jets and can be used for armament training as well. Its cockpit is fully airconditioned and pressurized and equipped with two zero-altitude, 167 km-per-hour automatic ejection seats. The HJT-16 has a maximum level speed at sea level of 780 km per hour which develops to 927 km at maximum dive at sea level.

The aircraft has a maximum range and maximum endurance of altitude of 9,144 metres with external fuelling, two drop tanks of about 1,410 kilometres (about 3 hours 36 minutes).

(**The Times of India**, New Delhi)

[Prev. ref. 7966:INI:D]

W. Expansion Of Navy: The Chief of the Naval Staff, Admiral A. K. Chatterji, in a broadcast on December 14, 1968 on the occasion of Navy Day said that with the expansion and modernization of India's operational fleet and of dock-yards, and with it improved training facilities which had made "us entirely self-sufficient in the matter of training, the Navy is now better equipped to carry out its allotted tasks."

At the same time, he stressed that the Navy had been quietly, continuously and efficiently fulfilling an important aspect of its peace-time role, by 'showing the flag' in its many goodwill cruises to foreign countries.

Regarding the **Vikrant**, he said: "We are the only Navy in the entire Indian Ocean area to possess an aircraft carrier. The **Vikrant** is the fountain-head from which our naval power flows. The defensive and offensive capabilities of the carrier are tremendous and had considerable psychological impact on any enemy. The addition of the **Vikrant** has increased the strength and fighting potential of the fleet."

Commenting on the aging destroyers in the Navy's fleet, he said an adequate replacement programme had been drawn up to look after the maritime requirements of the country for the next few years. "The most important aspect of this replacement programme is the **Leander** frigate project." The frigate, **Nilgiri**, would be followed by two more at yearly intervals. They would also be named after mountain peaks.

In conventional conflict at sea, the best answer to a submarine was another submarine and with the commissioning of the submarine arm, the Navy would be able to meet any undersea challenge both confidently and effectively. "Besides, the submarine arm has added substantially to the defensive and offensive potential of the Navy."

(**The Times of India**, New Delhi)

[Prev. ref. 8605:INI:G]

X. New Naval Cadre Formed: Naval Headquarters announced on December 15, 1968 the formation of a new cadre of master chief petty officer for senior sailors of the Navy.

Hitherto the highest rank a sailor not promoted to commissioned rank could attain was that of chief petty officer. Twenty-five per cent of all chief petty officers can now aspire to become master chief petty officer Class II and up to 15 of them Class I.

The added responsibilities of the master chief petty officers will carry with them increased privileges and higher rates of pay.

The Naval Headquarters also announced increased monetary benefits for those naval personnel serving in the Andaman and Nicobar islands. The Andaman allowance contains a triple element—rigours and hardships of life in the islands, the remoteness of the areas and a compensatory allowance factor.

(**The Statesman**, New Delhi)

[Prev. ref. 8240:INI:C]

Y. Soviet Recommendations On Bhilai Steel Plant: A plan of action to streamline the working of the Bhilai Steel Plant and raise its productivity and profitability was recommended by the visiting Soviet delegation, headed by Mr. S. Skachkov, Soviet Minister for Foreign Economic Relations in New Delhi on December 13, 1968.

A list of the recommendations was presented by Mr. Skachkov to the Minister of State for Steel, Mines and Metals, Mr. P. C. Sethi.

Mr. Skachkov, who visited Bhilai to study the working of the steel plant, urged early implementation of his recommendations to ensure smooth and uninterrupted production of 2.5 million tonnes of ingots a year. Now, the plant is working below the rated capacity because of slackening demand for rails—its main product—and the general recessionary conditions in industry as a whole.

He stressed that production must be closely linked to the changing pattern of demand. For instance, if there was a fall in demand for tails, then the output of structurals might be stepped up. In any case, no situation should be accepted as inevitable.

He also made a number of recommendations for improving the quality of Bhilai products. First of all, the raw materials must be of better quality. This could be ensured by reducing the number of coking coal sources, which are now about 25. There should also be tighter supervision and better finishing to bring down the percentage of "offgrade" production.

On the organizational side, there should be an agency for carrying out timely repairs to blast furnaces and other units to avert breakdowns.

(The Times of India, New Delhi)

[Prev. ref. 7447:INI:N, 8198:INI:D]

Z. Suppression Of Silver-Gold Smuggling – Central Ordinance: With the promulgation of an Ordinance on January 3, the Central Government decided to crack down on the silver-gold smuggling racket which had been costing the country crores of rupees in foreign exchange. Rules about the sale of imported consumer and luxury items were simultaneously tightened to combat trade in contraband goods.

The Ordinance imposed restrictions on the storage and sale of silver and some 28 luxury items together with the amendment to the rules.

The restrictions on silver followed the large-scale smuggling out of the metal in various forms to be sold abroad at a higher price, the proceeds being used to buy gold for smuggling into the country. The racket had assumed large proportions in recent months, silver being smuggled out in various shapes, including curios which suddenly had become very heavy.

The open sale of imported consumer items too had posed a difficult problems for the Centre which, in the absence of effective legal powers to seize or regulate their sale, had been feeling helpless.

Both these lacunae were rectified by the Ordinance and the attendant regulations. Under these measures, the Central Government notified a 'specified area' extending 50 km inland from the western coast of India within which the regulatory provisions would apply in regard to silver, bullion and coins.

Broadly, the provisions laid down that every person possessing silver bullion and coins exceeding Rs. 15,000 in price would have to intimate to the Customs officer concerned within seven days particulars of the place where such silver was stored. He would also have to maintain accounts in the prescribed manner. After that period, silver exceeding this value would not be kept in any place which had not already been intimated.

On January 7, the Ordinance was extended to the coastal areas of Madras and Pondicherry.

(The Times of India, New Delhi)

[Prev. ref. 5040:INI:D, 7990:INI:P]

INDONESIA

A. Foreign Investments: Foreign investments approved by the Government during the first nine months of 1968 totalled $342 million, shared by 84 foreign companies.

American investments account for $115 million, shared by 12 US firms, followed by Japan with $76 million invested by three firms.

A single South Korean firm investing $48.5 million made the Republic of Korea the third largest investor nation in Indonesia.

The Netherlands followed in fourth place, with $19.5 million invested by 12 firms.

On November 27, 1968, Sir Con Oneil, Head of the London Chamber of Commerce fact-finding mission to Indonesia, said that the mission was "impressed with the success of plans to stabilize Indonesian economy." The mission had studied the draft five-year plan which would operate from April, 1969. This laid emphasis on agriculture. British and other foreign investors would have to take this into account in their efforts to enter the Indonesian market. Opportunities also existed in the supply of equipment to process primary products, including rubber.

(Japan Business News, Tokyo and **Far East Trade,** London)

[Prev. ref. 8524:IND:A]

IRAN

A. Steps To Protect Individual's Rights: The Shah has established a "watchdog" group above Government and party politics to protect the rights of the individual.

As the Shah's watchdog, the Imperial Inspectorate Organization will handle complaints made by individuals.

Headed by one of the Shah's military aides, Gen. Morteza Yazdanpanah, the Inspectorate Organization will be independent of Government and party politics.

Shah Mohammad Reza Shah Pahlevi has also ordered the creation of an administrative reform council under his own chairmanship to cut Government red tape. The council is composed of a number of Government Ministers, technical experts and ordinary citizens. The reforms followed a recent congress of administrators in Tehran, headed by the Premier, Mr. Amir Abbas Hoveida.

The Congress which was divided into seven working groups heard hundreds of statements from people in contact with Government offices and compiled thousands of pages of evidence on the shortcomings of the Government agencies.

Some of the chronic complaints which figured prominently in the hearings were bureaucracy, tendency of Government officials to shove responsibility to the next man, cumbersome legal processes, lax attendance by many Government employees, futile correspondence and other administrative "evils."

(The Pakistan Times, Lahore)

B. Cabinet Re-shuffle: The Prime Minister, Mr. Amir Abbas Hoveida, carried out on November 24, 1968 a major Cabinet re-shuffle.

It was the fourth time he had reshuffled the Government in four years.

The new Ministers included Mr. Shafi Asfia, who was appointed Vice-Premier with special responsibility for economic and development problems.

The Labour and Social Services Minister, Mr. Ata'ullah Khosrovani, who was also Secretary-General of the ruling new Iran party, was made Interior Minister.

Mr. Manoutcher Parto, Tehran's former public prosecutor, became Justice Minister.

Mr. Manoutcher Goudarvi, Secretary-General of Iran's Administrative Affairs Organization, was named Minister of Agricultural and Consumer Production.

The portfolio of the Ministry of Labour and Social Affairs was given to Mr. Abdol Madzid Madzaidi.

Mr. Mehdi Sami, Governor-General of Iran's Central Bank, took over from Mr. Safi Asfia at the head of the Economic Planning Organization.

Mr. Hussain Kazem Zadech became Minister of State in charge of State Administration and Employment.

(**The Times**, London and **Tehran Radio**)

[Prev. ref. 7244:IRN:B, 7548:IRN:C]

ISRAEL

A. Commando Raid On Beirut Airport: Israeli commandos made a daring lightning raid on Beirut airport on December 28, 1968 which left at least 13 Arab airliners charred wrecks.

The strike at the airport, the busiest and most modern in West Asia, was in direct retaliation for an Arab commando machine-gun and grenade attack on an Israeli Boeing jetliner at Athens airport three days earlier (December 26, 1968).

Beirut reports said that most of the airliners blown up belonged to the Middle East Airlines, the biggest and richest in the Arab world. Other planes destroyed were those of Lebanese International and Trans-Mediterranean Airlines. The Middle East Airlines lost eight planes worth about $35 million.

Flames from the burning airliners lit up the night sky over Beirut for hours. Some hangars and fuel storage tanks were also set ablaze and runways damaged.

Eyewitnesses said that two Israeli helicopters approached the airport from the sea with their lights off. They were mistaken by the ground control staff for Lebanese Air Force planes. The helicopters fired warning shots and then landed, groups of commandos springing out on to the tarmac. The attackers blew on Arab airliners, most of them on runways and also blasted a petroleum storage tank.

In Tel Aviv, an authoritative military source gave details of the strike as recounted by commandos who took part in the action. He said that the commandos had strict orders not to inflict casualties nor to attack any airliner which was not Arab.

He said that the commando force returned intact to Israel after the raid but would not reveal how they were transported in and out of Lebanon.

Immediately after the Israeli reprisal raid, an Israeli Government statement hoped that the attack would put an end to sabotage against Israeli aircraft and passengers.

The reprisal was directed at the Lebanese capital because an Arab commando group in Beirut claimed responsibility for the Athens attack and also the hijacking of an Israeli El Al Airliner to Algiers in July, 1968.

The raid drew a strong protest from USA. The US State Department said that the US Ambassador to Israel had been told to seek the earliest possible meeting with the Israeli Premier, Mr. Levi Eshkol, or the Foreign Minister, Mr. Abba Eban.

In London, a Foreign Office spokesman said that Britain deprecated the attack, which was also condemned by the International Air Transport Association (IATA) in Montreal.

The attack on the airport was the latest in a series of Israeli reprisals into Arab territory for raids by Arab forces and guerrillas. But it was the first time Lebanon, which was not involved in the six-day West Asia war in June, 1967, had been attacked.

In a similar raid a month earlier, Israeli commandos penetrated some 125 miles into Egypt from the Red Sea and blew up power installations and two bridges across the Nile.

The Israeli Transport Minister, Mr. Moshe Carmel, said in Tel Aviv that Arab objectives and alliances were just as vulnerable.

Mr. Carmel alleged that members of the Popular Front for the Liberation of Palestine, which claimed responsibility for the Athens attack, openly trained in Lebanon for acts of sabotage with Government encouragement.

But official Lebanese sources quickly rejected the accusation.

Asked about the magnitude of the blow, Israeli officials said: "We want to make clear to the other side that, even if we assume that the fight between us and these Fedayeen organizations across the border is 'fair play', the carrying of the fight outside this area and against civilian targets is not, and we are not going to take it lying down. Therefore, in this case, the quantity was not out of proportion because it carried a certain message which should now be crystal clear."

Beirut airport was re-opened to traffic on December 29, 1968 after being closed for nearly 10 hours following the Israeli attack.

The first plane to land was an Air India Boeing on a flight from Bombay to Rome.

Damage from the raid was estimated at millions of dollars, but no figure was available. There was no report of any casualties.

Lebanese Air Force Placed On Alert:

The Lebanese Air Force was placed on a state of alert on December 31, 1968.

An official said: "From this moment, the Lebanese Air Force is providing air cover for the whole country. Lebanon will use force to repel any Israeli aggression."

The Lebanese House of Deputies agreed to meet in permanent session in view of the sudden rise in tension.

Lebanon Sets Up Air Raid Shelters:

On January 6, Lebanon began building air raid shelters and setting up military training centres in villages bordering Israel.

A Defence Ministry source said that Army engineers had been put in charge of building the shelters to protect villagers against air raids and shelling.

The Army also began setting up centres in the border villages to train men between the ages of 18 and 50 to use firearms. Villagers will be given weapons on completing their military training.

Arab Commandos' Attack On Israeli Plane At Athens:

Two terrorists, armed with machine-guns and hand-grenades, attacked an Israeli jet airliner as it was preparing to take off from Athens airport on December 26, 1968, killing one passenger and injuring another.

Officials of the El Al airline said that the two attackers were Arabs and were apprehended by police as they tried to flee.

The officials said that the two terrorists ran out on the runway as the four-engine Boeing-707 jet was warming up for the take-off on a flight to Paris and New York. The plane had arrived earlier in the morning (December 26, 1968) from Tel Aviv. It was leaving for Paris with 37 passengers and ten crew members.

Machine-gun fire ripped into plane windows and hand-grenades blew up under the fuselage. A fire broke out aboard the plane, but was quickly put out.

In Beirut, a Palestinian Arab guerrilla organization claimed responsibility for the armed attack on the Israeli airliner.

PLO's Statement On Athens Raid:

On December 29, 1968, the Arab commando organization which had claimed responsibility for the December 26, 1968 attack on an Israeli airliner at Athens airport denied that any Arab Government had been involved in that raid.

The Popular Front for the Liberation of Palestine Organization (PLO) re-iterated in a statement that it was fully responsible "for the planning, training and the execution" of the attack and no Arab Government was associated with it.

It added: "The two commandos had set out from one of the Front's bases in occupied territory. They passed through Beirut, spending only two days in the city. The Lebanese authorities had no knowledge of any of their movements".

[Official Lebanese sources have rejected an Israeli accusation that Palestinian commandos train openly in sabotage in Lebanon with Government encouragement]

Reactions:

An UAR official spokesman, Dr. Mohammed Hassan El Zayyat, told newsmen: "This is a minor Pearl Harbour and is certainly not a herald of peace. It is certainly not the way to stifle the Palestine resistance movement. On the contrary, it is adding fuel to it."

He described the Israeli raid in an official statement as a "barbaric act" which created strong doubts about the possibility of a peaceful settlement of the West Asian crisis.

He said that Israel was able to pursue a policy of violence only because of arms put into its hands by others. "What use will Israel make of the Phantom fighters the US Government is going to hand it soon? The barbaric act of Israeli armed forces against Beirut airport is a clear demonstration of Israel's long-conceived ambition to impose its will on the whole of West Asia".

The French Foreign Minister, Mr. Michel Debre, said that the snowballing violence in West Asia could be halted only if the three Big Western Powers and Russia took joint action to impose peace.

The Italian Foreign Minister, Mr. Pietro Nenni, summoned the Israeli and Lebanese Ambassadors to Rome in separate meetings and told them that Italy hoped the cease-fire in West Asia would be respected in a strict way.

Kuwait's Defence and Interior Minister, Sheikh Saad Al-Abdullah Al-Salem Al-Sabah, denounced the raid as "brutal aggression against civilian targets", and called for strong UN measures against Israel.

President Ayub Khan of Pakistan described the Israeli commando attack as "terrible".

Jordan's King Hussein took the lead in promising support for Lebanon and told the Lebanese President, Dr. Charles Helou, on the telephone that he would ask Arab nations to co-operate to compensate Lebanon for its losses in the raid.

USA protested to Israel on December 28, 1968 over the Israeli raid on Beirut airport.

Moscow's first comment on the Israeli commando raid on Beirut airport came in the form of a **Tass** report from Beirut and was relatively mild, denoting Soviet anxiety to keep down the political temperature in West Asia.

Tass said that the "Israeli military staged another brazen provocation," aggravating tension in West Asia.

Ghana Demands Compensation:

Ghana asked Israel on January 5 to compensate her for the loss of a VC-10 plane destroyed during the Israeli raid on Beirut airport.

The VC-10 airliner was leased to the Middle East Airlines.

The spokesman of the Israeli Foreign Ministry stressed that "the plane in question carried Lebanese colours and emblems."

War Risk Rate Doubled:

On January 1, London insurance underwriters doubled the war risk rate on goods carried in Israeli or Arab ships.

The increase will apply to all ships sailing under the flags of Israel, UAR, Jordan, Lebanon, Saudi Arabia, Sudan or Syria. It also applies to ships whose ownership or management is based in those countries.

At the same time, the Institute of London Underwriters increased, from one shilling and sixpence per £100 to seven shillings and six pence, the war risk rate for cargo on ships calling at Israeli or Arab ports.

Air freight war risk insurance on aircraft flying to and from Israel and the Arab countries was also increased.

Direct Israeli-Lebanese Contact:

An Israeli Foreign Ministry spokesman said on January 6 that direct talks between Israel and Lebanon had taken place in the last few days.

He added that representatives of the two countries had met "to clarify problems relating to the cease-fire between the two countries." The meeting was on the frontier between the two countries.

The Lebanese Government confirmed the meeting the same day.

The statement followed denials by Lebanon that it had received an official warning from Israel. But Lebanon did say that military officials from the two countries attended a UN Armistice Commission meeting about frontier violation allegations covering the past few days. Lebanese officials stressed that there was "no sort of negotiation" and that the meeting was purely "technical".

Press reports had quoted the Israeli Foreign Minister, Mr. Abba Eban, as saying that Israel had contacted Lebanon through diplomatic channels to draw its attention to the seriousness of the situation in the border area.

UN Security Council's Resolution:

On December 31, 1968, the UN Security Council unanimously condemned Israel for its commando raid on Beirut airport and issued a "solemn warning" that if such acts were repeated, the Council would have to consider further steps to give effect to its decisions.

The resolution said that Lebanon was "entitled to appropriate redress for the destruction it had suffered, the responsibility for which has been acknowledged by Israel."

This was the Security Council's strongest rebuke to Israel, but Israel showed no sign of accepting or heeding it as evidenced by reports from the area that Israeli fighter aircraft flew over Lebanon on January 1, while a helicopter-borne Israeli force attacked a Jordanian patrol on the east bank.

Previously, the Security Council had condemned specific actions of Israel, but this was the first time that Israel as a State had been condemned.

The resolution, moved from the chair and adopted unanimously, was evolved mainly in negotiations between Lebanon and USA.

The compensation question was handled somewhat vaguely and did not go as far as Lebanon had demanded. Lebanon was reported to have acquiesced to the wording of the resolution because of the fact that most of the actual financial loss was non-Lebanese and had been covered by British insurance and American help to the airlines concerned.

The following is the text of the resolution as approved:

"The Security Council,

"Having considered the agenda, having noted the contents of the letter of the Permanent Representative of Lebanon (S/8945),

"Having noted the supplementary information provided by the Chief of Staff of C.N.T.S.O. contained in documents S/79'0 and 107 and 108, "Having heard the statements of the representative of Lebanon and the representative of Israel concerning the grave attack committed against the civil international airport of Beirut,

"Observing that the military action by the armed forces of Israel against the civil international airport of Beirut was premeditated and of a large scale and carefully planned nature,

"Gravely concerned about the deteriorating situation resulting from this violation of the Security Council's resolutions.

"And deeply concerned about the need to assure free uninterrupted international civil air traffic,

"(1) Condemns Israel for its premeditated military action in violation of its obligations under the Charter and the cease-fire resolutions;

"(2) Considers that such premeditated acts of violence endanger the maintenance of peace;

"(3) Issues a solemn warning to Israel that if such acts were to be repeated, the Council would have to consider further steps to give effect to its decisions;

"(4) Considers that Lebanon is entitled to appropriate redress for the destruction it suffered, responsibility for which has been acknowledged by Israel."

Israel Rejects Resolution:

But, Israel denounced the Security Council resolution as a reflection of the "moral, political and juridical bankruptcy" of the world body.

The Israeli delegate's Mr. Yosef Tekoah, response to the Council's unanimous resolution was interpreted as total rejection of its terms.

It was also seen as an indication that Israel would defy the recommendation that reparations be paid to Lebanon for the damage done to planes and installations at Beirut airport.

This has been assessed at more than $50 million (nearly £ 21 million).

Lashing back at the Council, Mr. Yosef Tekoah said: "The resolution ignores the fundamental UN principal of equality of all member-States.

"Let no one make the mistake that the people of Israel might be swayed by inequitable pronouncements.

"Let no one make the mistake that the fate of the people of Israel might be decided by others.

"Not Security Council resolutions but the attitude and actions of the Governments in the area would determine the destiny of West Asia."

In Tel Aviv, the Israeli Knesset (Parliament) endorsed the action of the Government and the Army HQ in attacking Beirut's international airport terming it a "self-defence action." Only one communist member voted against the resolution.

(**The Times**, London, **The New York Times** and **The Hindu**, Madras)

[Prev. ref. 8483:ISR:E, 8686:ISR:A]

B. **Return Of Refugees To West Bank—World Church Council's Appeal:** The World Council of Churches on December 6, 1968 called on Israel to "respond to urgent appeals made in United Nations" and permit the immediate return to their homes on the west bank of refugees and displaced persons living in circumstances of hardship and inadequate shelter on the east bank of the River Jordan.

The Council's call issued in Geneva by Dr. Eugene Carson Blake, the General Secretary, was transmitted also to U Thant, the UN Secretary-General. Dr. Blake acted on the basis of resolutions passed by the divisional committee of the Council's inter-church aid, refugee and world service.

The committee urged Israel to display "humanity and magnanimity" in permitting the return of the refugees to their homes before the onslaught of the worst of the winter weather. It also asked churches to press their Governments for larger contributions to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA).

According to Council officials, there were 350,000 "new" refugees on the east bank, in addition to the 75,000 who were in east bank UNRWA camps before the June war of 1967. They pointed out that Israel could make a start by allowing 50,000 refugees to return to camps in the Jericho area, where they could not be regarded as constituting a major security problem.

(**The Times**, London)

[Prev. ref. 7982:ISR:A]

C. **American Credit:** The US Export-Import Bank in Washington on November 26, 1968 stated that it would lend Israel $12 million to help it buy American power generating equipment.

The credit, at six per cent interest, would be used to buy a 214-megawatt generating unit from General Electric and a boiler from Babcock and Wilcox. Installation of the equipment would be at the Reading power station at Tel Aviv, where the Bank had previously financed construction.

The Export-Import Bank, a US Government agency for financing foreign purchases of American goods, had authorised over $300 million for this purpose.

The credit was in favour of the Israeli Government which would re-lend it to the Israel Electric Corporation. The loan completed the financing for the Tel Aviv power station.

(**The New York Times**)

[Prev. ref. 7450:ISR:E]

ASIA OUTSIDE ASIA

A. **Oldest Pyramid In Western Hemisphere:** Archaeologists of the University of California announced in Berkeley on December 4, 1968 the discovery of the oldest known pyramid in the Western world—a giant cone built more than 2,700 years ago by Mexico's Olmec farmers.

About 100 feet high and 240 feet in diameter, the pyramid is unlike any other in the Western Hemisphere. It was unearthed on Mexico's La Venta island near the coastal plains of the Tonala river between the States of Vera Cruz and Tabasco, where digging had been in progress for 13 years.

(**The New York Times**)

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CAMBODIA

A. **Release Of American Prisoners: Pnom Penh Radio** announced on December 20, 1968 the release of one Viet-Namese and 11 American prisoners who were arrested in July for border violations.

The broadcast said the prisoners had already been delivered to the Australian Embassy to be shipped home to rejoin their families on Christmas Day.

Earlier Washington reports had said the 12 men formed the crew of a patrol boat that had strayed into Cambodian territory on July 16.

The announcement on their release did not mention whether the captured vessel would also be returned to USA.

The Head of State, Prince Norodom Sihanouk, agreed to release the prisoners purely on humanitarian grounds. Before he could release the prisoners, he had wanted an assurance from President Johnson that the United States would not try to violate Cambodian territory.

Border Guarantees Sought:

On December 29, 1968, Prince Norodom Sihanouk said that Cambodia would seek international guarantees to safe-guard its neutrality and present borders when the Viet-Nam war ended.

Speaking at the opening of the National Congress of his party, he said Cambodia would eventually have to take part in any peace talks after USA had reached an agreement with Hanoi and the National Liberation Front, political wing of the Viet-Cong.

It would then demand war damages from USA for refugees entering Cambodia from South Viet-Nam. He pointed out that his country could not keep the refugees and said they would have to be taken care of by the United States. He suggested that USA might consider settling them in Hawaii or Alaska and giving them American nationality.

(**The New York Times** and **The Indian Express,** New Delhi)
[Prev. ref. 8491:CAM:A]

CEYLON

A. **Barter Deal With China:** A Trade Protocol was signed in Colombo on January 7 for the supply of 200,000 tonnes of Chinese rice in exchange for 62,000 tonnes of Ceylonese rubber.

The acting Commerce Minister, Mr. S. A. Pereis, signed the Protocol for Ceylon and the leader of the visiting Chinese delegation, Mr. Lin Hai-yun, for his country.

The Protocol provided that the two countries would endeavour to have a total trade of the value of Rs. 174 million in 1969 as they had in 1968. The value of Chinese rice and Ceylonese rubber to be bartered was Rs. 146 million.

The additional trade was expected to be made up from Ceylon's other traditional exports—copra, cocoanut oil and a number of new products of light industries. China would supply Ceylon pulses, textiles, cement and other goods.

Talking to newsmen after the signing of the Protocol, the Food Minister, Mr. M. D. Banda, said that the agreement was "satisfactory and mutually advantageous."

Though Ceylon had originally intended to buy only 150,000 tonnes of Chinese rice, it subsequently decided to import an additional 50,000 tonnes as it would mean the export of more rubber at a price higher than that prevailing in world markets. China would continue to pay 10 cents more than Singapore's average weekly price for one lb of rubber.

Mr. Banda indicated that Ceylon would import only 250,000 tonnes of rice from all sources this year—50,000 tonnes less than last year—because of the prospects of increased indigenous production.

(**The Times of India,** New Delhi)
[Prev. ref. 8120:CEY:C]

CHINA

A. **Eighth Nuclear Test:** The US Atomic Energy Commission announced on December 27, 1968 that China had conducted the same day an atmospheric nuclear test in the Lop Nor area of Sinkiang province.

The explosion, according to the American AEC, had an yield of about three megatons or three million tons of TNT.

It was the eighth Chinese test to have been detected by the United States. The first Chinese bomb was exploded on October 16, 1964. The first three explosions were of low yield, and the fourth test weapon on October 28, 1966, was carried by a guided missile. The sixth was the first three-megaton explosion, but the seventh was of low yield.

The potential of the Chinese nuclear capability as a military threat was judged by the US Government as sufficiently significant to order the establishment of a "thin" anti-ballistic missile system to guard against it. The decision to undertake the relatively expensive construction of such a system was made by Mr. Robert McNamara before he resigned as Defence Secretary.

This system, calculated to cost at least $5,000 million, would place a defence umbrella over the United States, with long-range missile interceptives at about 15 sites around the country.

A Chinese Press **communique** on December 28 described the explosion as a "new leap forward" in developing nuclear weapons and a "gift to the forthcoming ninth national congress of the Party."

Soldiers and civilians in Peking paraded, sang and danced through the streets, in spite of driving snow, to celebrate the bomb test.

The official **Hsinhua** news agency said that the Tien-an-men (Heavenly Peace) Square and the main boulevard across Peking were bedecked with red flags carried by paraders, while contingent after contingent of people arrived at the reception centre of the Communist Party Central Committee to extend their greetings.

Peasants living in the suburbs of Peking marched long distances to the city to take part in the celebrations.

Japanese Protest:

Japan made a strong protest against the Chinese hydrogen bomb test, saying that it threatened international efforts to lower tensions and stop the spread of nuclear weapons.

Japanese Air Self-Defence Force F-86 jets were sent up to carry out investigations for radio-active dust and fall-out. They carried containers and gummed paper to take atmospheric samples from which pollution will be measured.

Japan in the past had often been exposed to mild radio-active fall-out after Chinese nuclear tests.

A Foreign Ministry spokesman in Tokyo said on December 28, 1968 that people were being exposed to danger by radio-active fall-out. He called on China to refrain from any further tests.

The three leading Opposition parties—Socialists, Democratic Socialists, and Komeito—all criticized the Chinese test. The Socialists, however, also mentioned the American policy of "containment" of China, implying that the affair was not one-sided.

Mr. Setsuo Yamada, Mayor of Hiroshima, issued a protest against the series of Chinese tests on behalf of the citizens of Hiroshima. The protest was sent to Mr. Chou En-lai.

Prof. Seitaro Koyama, of Niigata University, northern Japan, said that he had detected fall-out from the Chinese test in rain which fell in the area for four hours. He added, however, that no giant particles had yet been detected.

(**The Times,** London and **The Japan Times,** Tokyo)

[Prev. ref. 8121:CHI:A, 8445:CHI:B]

FORMOSA

A. ADB Loan To Petro-chemical Project: An Agreement providing for a loan, equivalent to $10.2 million, to the Chinese Petroleum Corporation, a wholly-owned Government corporation, was signed at the headquarters of the Asian Development Bank (ADB) in Manila on December 27, 1968.

The loan will be used to finance the foreign exchange cost of construction and commissioning of a petro-chemical plant in Kaohsiung.

The loan, which is for a term of 12 years, including a grace period of three years, will carry an interest rate of 6-7/8 per cent per annum.

The project envisages establishment of a plant for the manufacture of 26,400 metric tons per year of dimethyl terephthalate (DMT), an intermediate used in the production of polyester fibre. The total cost of the project is estimated at $23.08 million.

The DMT project, economically viable in itself, is expected to aid in the promotion of certain avenues of regional co-operation decided upon by Formosa and South Korea at the fourth Sino-Korean Ministerial Level Economic Co-operation Conference held in July, 1968. Under the proposed co-operative effort, both Formosa and South Korea will seek to develop economic and mutually complementary production capacity in respect of petro-chemicals-based intermediates for synthetic fibres and develop joint markets for these products between the two countries, Formosa producing DMT and South Korea producing caprolactom.

(ADB Press Release)

[Prev. ref. 8654:JAP:B]

B. Relations With African Nations: Of the 42 African countries, 21 now have diplomatic relations with Taiwan (Formosa), while 14 have such relations with China.

A major factor in Taiwan's effort to win friends in Africa is its agricultural aid programme, which was launched in 1961. The KMT Administration has 450 farming experts serving in 18 African countries. The programme is being expanded and agreements with Ghana, the Central African Republic and Lesotho have been signed, providing for the despatch of teams to those countries.

Technical aid in the fields of public health, fishery, food processing, civil aero-nautics, education, highway development and water conservancy are also extended to a few countries, including Ethiopia which does not get agricultural aid. The total number of KMT aid personnel is 600.

Taiwan diplomacy in Africa is directed by the Vice Foreign Minister, Mr. Yang Hsi-kun, known as "Mr. Africa". He recently returned from a visit to Africa, during which he toured 24 countries, bringing back diplomatic recognition from Gambia and newly independent Swaziland.

Taiwan has made a grant of $3 million to Chad and one of $2 million to Sierra Leone to finance agricultural and industrial projects, part of a total grant of $20 million to be extended to 10 African countries. Taiwan has spent about $50 million on aid to Africa.

The increase in African support for the KMT Administration was reflected in the vote on the China representation issue in November, 1968 in United Nations, in which 15 African countries—one less than in 1967—voted for the admission of China and 20—one more than last year—voted against Peking. Of the three new African members, two—Mauritius and Equatorial Guinea—abstained, while the third, Swaziland, voted against admission. The gain was particularly significant when compared with the voting in 1960, when nine African countries supported China and only two were opposed.

While Taiwan's diplomacy in Africa is directed primarily against China, Peking's motives there are more complex. In addition to attempting to isolate Taiwan, it seeks to turn newly independent countries not only against the West but also against the Soviet Union, claiming for itself the role of leader of the world's revolutionaries.

China has greater resources than Taiwan and is willing to use them on large, prestigious projects. Peking is reported to have about 3,000 people working on aid projects in Africa. It is estimated that the Chinese have spent $175 million on aid to African nations.

(The New York Times)

JAPAN

A. Construction Of Nuclear-Powered Ship: Construction of Japan's first nuclear-powered ship began on November 27, 1968.

The 8,300-gross-ton vessel was being built at the Tokyo shipyard of the Ishiakawajimi-Harma Heavy Industries and will be equipped with an atomic reactor manufactured by the Mitsubishi Atomic Power Industry Company.

It is scheduled to be completed around February, 1972 to become the 22,000-ton US merchant vessel for non-military purposes after the 16,000-ton Soviet icebreaker **Lenin,** the 22,000-ton US merchant vessel **Savannah** and the 26,000-ton West German vessel **Otto Hahn** presently under construction.

The Japanese ship, an experimental freighter, will be powered by a light water type reactor with a thermal output of 3,600 kw, developing about 10,000 H.P. which would give it a cruising speed of 16.5 knots. It will measure 130 metres long, 19 metres wide, and 13.2 metres deep, and carry a crew of 79. It will cost the equivalent of some $22 million.

Hull work is expected to be completed in June, 1969 and then the ship will be towed to its base port in Mutsu, at the northern tip of

Japan's mainland, for loading the nuclear reactor.

The ship will be used for experimental purposes as reference for building other nuclear-powered vessels in the future.

(The New York Times)

[Prev. ref. 7788:JAP:C]

B. **White Paper On Aid To Developing Nations:** The annual report for 1968, compiled by the Ministry of International Trade and Industry and released in the form of a White Paper in November, said Japan's economic aid to developing nations had nearly tripled in the past five years.

The upward trend in assistance, the report said, was particularly marked in private export credits and direct loans.

It also noted that the assistance was now more diversified than before. It pointed out, however, that Japan's effort to assist developing countries was still short of fulfilling the international commitment assumed by Japan to increase its development assistance up to one per cent of her GNP.

The report said there remained strong dissatisfaction with the terms of Japanese assistance—the rate of interest and repayment period in particular. It explained that it was difficult to ease the interest rate on Japanese development loans in view of a high money cost in her own domestic money market.

Japanese aid totalled $855 million in 1967, a 27.8 per cent increase over 1967. The 1967 figure equalled 0.74 per cent of the GNP (0.69 per cent in 1966), which was roughly on par with an average 0.75 per cent recorded by the member-countries of the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD).

The total of $855 million was broken down into $390 million in assistance on the Governmental basis and $465 million in private aid. The private economic aid increased by 21.1 per cent over the preceding year while the Governmental aid rose by 36.9 per cent.

Grants accounted for only about one-third of the total aid amount provided by the Government, as compared with 54.7 per cent of DAC member-countries.

Periods of grace for credits averaged 4.7 years and interest rates 4.8 per cent a year, compared with DAC's 5.3 years and 3.8 per cent, respectively. Repayment periods for Japanese credits averaged 16.6 years, while the average for DAC countries was 23.4 years.

The White Paper made the following points on trends in development assistance in the world in 1967:

(1) The world's developing nations, who constitute 75 per cent of of the total number of UN member-countries and 49 per cent of their population, share only 19 per cent of the world's exports and a meagre 14 per cent of its combined GNP. The rate of their annual GNP increase during the 1960-67 period averaged 5 per cent as against 4.9 per cent for that of advanced nations. The growth, however, was off-set by the population explosion that averages 2.5 per cent a year, thus widening the economic gap between developing nations and advanced countries.

(2) Developing nations were confronted with both external and internal factors detrimental to their economic development. The principal external cause was deterioration in their foreign exchange position due to the stagnation in their exports of primary products.

An absolute shortage in capital as well as 'know-how' together with inept utilization of these economic tools, were considered major internal causes.

It was important, therefore, to modernize their agricultural sector at first and then industrialize their economy, giving due considerations to their respective economic conditions.

(The Japan Times, Tokyo)

[Prev. ref. 8092:JAP:B]

JORDAN

A. **Government Re-shuffle:** Six Cabinet Ministers were dropped in a Government re-shuffle by Royal decree on December 26, 1968.

The Ministers dropped were: the Communications Minister, Mr. Akef El Fayez; the Development and Reconstruction Minister, Mr. Hazem Husseibeh; the Minister for Information and Tourism, Mr. Salah Abouzeid; the Minister for National Economy, Mr. Hatem El Zubi; the Minister for Transport, Mr. Amine Younes El Husseini; and the Minister for Wakfs (religious property), Sheikh Abdul Hamid El Sayeh.

(Amman Radio and **The Times of India,** New Delhi)

[Prev. ref. 8358:JOR:A]

MALAYSIA

A. **Accord With USA On Transport Feasibility Studies:** Eight Asian countries signed in Kuala Lumpur on November 5, 1968 Agreements with USA on regional transport and communications feasibility studies involving over $1 million.

The Agreements were signed by representatives attending a meeting of the Co-ordinating Committee of South-East Asian officials on transport and communications. They also agreed to prepare more regional projects to take advantage of a US offer of another $ 2-3 million next year for more feasibility studies.

A delegate of the Asian Development Bank told the representatives of the Bank's plans for a $3 million regional transportation and communications survey to assess the present and future transport needs of the area.

The Agreements signed covered surveys on:

(1) A regional 'aero tele-communications project covering Indonesia, Singapore, Thailand, Laos, Malaysia and Brunei including point to point and mobile services for civil aviation;

(2) A survey of flight inspection sources in Indonesia, the Philippines, Malaysia and Singapore;

(3) A study of search and rescue requirements in Indonesia, Malaysia, Singapore and Thailand;

(4) Studies of highway extension in Malaysia;

(5) Study of water traffic between Malaysia and Sumatra;

(6) A study of port facilities in Lao Mao and Marivales in the Philippines;

(7) A survey of needs for sea navigation aids in the Gulf of Thailand and coastal Indonesia;

(8) A survey of ship repair facilities at Marivales in the Philippines;

(9) Preliminary design work for ports at Kota Kinabalu and Sandakan in East Malaysia;

(10) A survey of navigation aids in the Straits of Malacca to recommend possible improvements to Indonesia, Malaysia and Singapore;

(11) Tele-communication links in Laos and Thailand; and

(12) Similar links for Sabah, Sarawak and Brunei.

(Antara)

[Prev. ref. 8607:IND:B]

NEPAL

A. **Anti-Indian Demonstrations:** About six policemen were injured at Bhaktapur on December 7, 1968 when a small police party tried to prevent an anti-Indian demonstration over the arrest of four Nepalese at Susta near the Indo-Nepal border.

The Bhaktapur demonstration was organized by peasants and students who shouted anti-Indian slogans, particularly against Mrs. Indira Gandhi, and beat up the policemen present. The demonstrators, however, dispersed before police re-inforcements arrived. Pictures of Mrs. Gandhi were burnt by the demonstrators. The clash with the police occurred when the policemen objected to this.

This was the third such demonstration on this issue in the Valley since the beginning of the month; the other two were in Khatmandu and Lalitpur.

(**The Statesman,** Calcutta)

[Prev. ref. 4433:NEP:A, 4447:NEP:D]

B. **Excise Duty On Exports To India:** It was announced in Khatmandu on December 6, 1968 that 80 per cent excise duty will be charged by the Government on products based on foreign raw materials, especially on synthetic fabrics and stainless steel goods exported to India.

The excise duty will be charged on Indian demand but collections will go to Nepal.

During the recent Indo-Nepal Agreement, Nepal had agreed to regulate its import quantum of such raw materials to the level of export figures of 1967-68.

(**The Statesman,** Calcutta)

[Prev. ref. 8569:NEP:A, 8585:INI:B]

C. **Envoy To UN:** It was officially announced in Khatmandu on December 15, 1968 that Mr. Padam Bahadur Khatri, Ambassador to USA, had been appointed Permanent Representative to UN.

Mr. Khatri would hereafter be only the Permanent Representative to UN. The decision had been taken in view of the increased work following Nepal's election to the Security Council.

(**The Statesman,** Calcutta)

PAKISTAN

A. **RCD "Summit" Conference:** A two-day **Summit** Conference of Regional Co-operation and Development (RCD) nations began in Karachi on December 25, 1968. The Shah of Iran, the Premier of Turkey, Mr. S. Demirel, and President Ayub Khan of Pakistan took part.

In his inaugural address to the Conference, President Ayub Khan said: "All three nation members of RCD have certain outside pressures and the geo-political situation requires that we should get together and work together."

Among the topics discussed during the **summit** were foreign relations and economic development of the region. The three RCD countries are also members of the Central Treaty Organization (CENTO).

On December 26, 1968, at a banquet held in honour of the Shah and Mr. Demirel, President Ayub Khan raised the "Kashmir issue" and said: "It is poisoning the atmosphere in the region."

"The Kashmir dispute should be resolved to the satisfaction of all the parties concerned. Pakistan will continue to pursue the line with India that the issue be resolved peacefully and honourably."

Conference Ends:

The RCD **Summit** Conference ended on December 26, 1968.

Leaders of the three RCD countries—the Shah of Iran, President Ayub Khan and the Turkish Prime Minister, Mr. Suleyman Demirel—announced "complete identity of views of the problems of the Persian Gulf, West Asia, Cyprus, Kashmir and the Paris talks on the Viet-Nam question."

A joint spokesman for the three delegations told newsmen that the **summit** had decided Turkey would supply the region's entire requirement of railway engines, railway rolling stock and workshop equipment. From Iran, the RCD nations would import petro-chemical products. They would buy textiles and jute manufactures from Pakistan.

The **summit** also decided to establish a Regional Bank of Development which would finance joint ventures to promote mutual trade.

It was also decided that experts of the three Governments would study the possibilities of an RCD heavy electrical complex. All three leaders stressed that "production in the three countries should be harmonized and investigations should be made on the disposal of agricultural surpluses in the RCD nations themselves."

A joint **communique** issued at the end of the conference emphasized that responsibility for the preservation of peace and stability in the Persian Gulf area rested only with littoral States.

It regretted the adverse effects of recent international developments on the process of East-West **detente.**

It emphasized the need and importance of achieving general and comprehensive disarmament under effective international control.

It also touched on Viet-Nam, the Middle East, Indo-Pakistan relations, Cyprus and plans for enlarging regional co-operation. The three Heads of State and Government expressed the hope that the Paris talks would move on to matters of substance and soon lead to an early termination of the conflict.

The three leaders expressed concern over the continuation of the explosive situation in the Middle East, re-iterated their opposition to the use of force to secure territorial gains and called for an early solution on the basis of the Security Council resolution.

The three leaders reviewed growing co-operation for development. They approved recommendations submitted by the Working Committee to widen and strengthen collaboration in joint purpose enterprises, trade transport communication and culture.

(**Radio Pakistan** and **Dawn,** Karachi)

[Prev. ref. 8583:IRN:B]

B. **Loan Agreement With China:** Under an Agreement signed in Rawalpindi on December 26, 1968, China will loan Pakistan Rs. 200 million interest-free for textile, ceramics and steel projects.

China awarded Pakistan 20 years to pay back the credit, after a ten-year period of grace. Repayment will be made in goods.

The visiting Acting Chinese Minister for Foreign Trade, Mr. Lin Hai-Yun signed the Agreement for the loan, two-thirds of which will be allocated for industrial projects and the remainder for commodities.

This was China's second credit allocation to Pakistan.

(**Radio Pakistan** and **The Hindu,** Madras)

[Prev. ref. 8180:CHI:D]

C. **Armed Clashes With Baluchi Nationalists:** It was announced by **Kabul Radio** on December 25, 1968 that 20 Pakistani soldiers had been killed and 14 injured recently in violent clashes with Baluchi nationalists.

Nine nationalists lost their lives in one clash, which took place in the hilly areas of Dawi in Pakhtoonistan. In another encounter, 11 Pakistani soldiers were killed and several injured in the Bugti area.

Mir Ajmal Khan Bugti, a prominent Pakhtoon leader who was arrested in November, 1968, was reported to have escaped from police custody.

(Kabul Radio)

[Prev. ref. 8514:PAK:B]

D. People's Party Lays Claim To Assam: In a specially prepared document on Assam, Mr. Z. A. Bhutto's party, the People's Party, has urged that Pakistan should "have special relations with the people of Assam".

The document was being widely circulated in Pakistan, chiefly in the Eastern Wing.

It said that "it is established that according to the Partition principles India had no historical claim to Assam. In point of population the Hindus were evenly balanced with the Muslims. The interests of the indigenous tribes and the considerations of geography should have linked Assam with Pakistan. For these reasons Pakistan needs to have special relations with the people of Assam."

It added that "in view of the fast developing events in the region, with the Muslims of Assam being driven into Pakistan, with the neighbouring Himalayan States of Bhutan and Sikkim asserting their national rights, it is incumbent on Pakistan to be vigilant.

"Subsequent events—the Naga and the Mizo rebellions, the trouble in Naxalbari and the discontentment elsewhere in Assam—have clearly proved that it was wrong to decide the fate of Assam on the formula of lumping all non-Muslims together.

"One may ask why the British should have been anxious to bestow Assam on Bharat, in spite of its geographical situation and the composition of its population, the majority of which was not Hindu". One of the reasons for this British behaviour, according to it, "was the considerable interest of the tea industry which was mainly in British hands. The British-owned extensive tea gardens in Assam naturally represented large capital investments and were the source of huge profits.

"The great tea gardens of Darjeeling were also British-owned. If Assam went to Pakistan, Darjeeling would most likely have to be allocated to Pakistan too; if, however, Darjeeling remained in India, the vast British tea industry in the sub-continent would be divided between the two countries. The British preferred to keep the tea industry united and within the country where they had larger capital investment, which was, of course, Bharat".

(The Times of India, New Delhi)

[Prev. ref. 8096:PAK:F]

E. Armed Strength Increased: According to a report entitled "The Military Balance (1968-69)" brought out by the Institute for Strategic Studies in London on December 8, 1968, Pakistan had increased the strength of its tanks and combat aircraft.

The report revealed that Pakistan had already acquired some Chinese T-59 tanks. Pakistan had four armoured brigades with Chinese T-59 tanks, M-47 and M-48 Patton tanks and M-4 Shermans.

It also had 12 infantry divisions based on 32 brigades. Some of the infantry divisions had reconnaissance regiments with M-24 and M-41 Bulldog light tanks.

As regards Pakistani air strength, it had 40 F-86 jet fighters, 40 MIG-19 jet interceptors, 20 B-57 light jet bombers, 14 Mirage jet interceptor and fighter bombers and 12 F-104A jet interceptors, besides other transport and reconnaissance aircraft.

(The Times, London)

[Prev. ref. 7960:PAK:C, 8240:INI:F]

F. Rise In Exports: The Commerce Minister, Nawabzada Abdul Gafoor Khan said in Islamabad that Pakistan's exports amounted to $653,508,000 in 1967-68 as against $604,810,000 in 1966-67, showing an increase of about 8.4 per cent.

This increase was registered in in spite of several adverse factors which impeded the growth of exports to the desired level, such as the decline in export prices of jute and jute manufactures, the closure of the Suez Canal, the devaluation of the £ sterling and the panic created by the gold crisis in March, 1968.

(Pakistan High Commission, New Delhi)

[Prev. ref. 8610:PAK:G]

ASIA OUTSIDE ASIA

A. Apollo-8 Launched With Three Men—Successful Trip Round Moon: America's **Apollo-8** spaceship with three astronauts aboard was launched on the Moon's trajectory from Cape Kennedy on December 21, 1968.

Thus, the three astronauts—Air Force Colonel Frank Borman, Navy Captain James Lovell and Air Force Major William Anders—became the first men to escape the influence of the Earth's gravity to start them on a planned 66-hour journey to the Moon.

The third stage of the Saturn-5 super-rocket remained attached to **Apollo-8** while the astronauts circled the Earth nearly 7½ times to make certain that all systems aboard were working well.

They received the "go" signal for their voyage to the Moon 2½ hours after the world's most powerful rocked engine—Saturn-5—sent them into Earth orbit. They then re-ignited the third stage rocket and set sail across the unchartered ocean of space at a speed faster than man has ever flown, aiming for a Christmas eve orbit of the Moon.

As they broke away from the Earth's hold, **Apollo-8** set a new altitude record for manned space flight, shattering the 1,370-kilometre mark set in 1966 by the **Gemini-II** pilots.

USA has sent 19 astronauts into space, 22 once, six twice, and Walter Schirra three times. The Soviet Union has sent 13 men into space. Komarov was the only Soviet cosmonaut to go twice and he was killed on the second mission. USA has clocked 2,774 hours eight minutes in space flight time against the Soviet Union's 628 hours 52 minutes.

Time-Table:

The following is the time-table for the **Apollo-8** manned flight around the Moon. (All timings are IST.):

		hrs.
At 90,650 km. from Earth	Dec. 22	02-17
At 201,650 km. from Earth	Dec. 22	22-17
At 303,400 km. from Earth	Dec. 23	23-17
Enters Moon orbit	Dec. 24	15-28
First Moon orbit	Dec. 24	17-32
Tenth Moon orbit	Dec. 25	11-36
Starts return journey	Dec. 25	11-40

		hrs.
At 314,500 km. from Earth	Dec. 26	02-21
At 209,050 km. from Earth	Dec. 26	22-21
At 111,000 km. from Earth	Dec. 27	13.21
At 31,450 km. from Earth	Dec. 27	18-21
Splashdown	Dec. 27	21-21

In Orbit Round Moon:

On December 24, 1968, **Apollo-8** astronauts became the first men to orbit the Moon when a burst from their rocket engine sent the space-craft skimming above the lunar surface.

A tense period of waiting, as the space-craft swung behind the rugged dark side of the Moon, was broken at 3-55 p.m. (IST) when a jubilant NASA official announced: "We've got it. **Apollo-8** is in lunar orbit."

While still behind the Moon, the space-ship fired its main rocket to de-celerate, slowing down to give lunar gravity a chance to pull it into orbit.

The operation worked. When **Apollo-8** began emerging from behind the Moon, it was on an elliptical lunar orbit, as planned.

The astronauts reported that they had gone into an orbit of 60.5 nautical miles by 169 nautical miles. This was almost exactly the planned orbit of 60 by 170 nautical miles.

In a dramatic Christmas eve signal, astronauts Frank Borman, James Lovell and William Anders confirmed to ground controllers that all was well aboard. One of the space-craft windows was iced over and became unuseable.

"Over to my right the mountains are coming up," Major Anders said, "I am a bit disappointed at the scene from this altitude." He also described the lines and terraces of the rugged landscape.

Major Anders then reported sighting the first landmark related to a possible Moon landing site.

Flight Commander Col. Frank Borman offered a Christmas-time prayer of peace, which ran thus: "Give us, O God, the vision which can see thy love in the world in spite of human failure. Give us the faith to trust the goodness in spite of our ignorance and weakness. Give us the knowledge that we may continue to pray with understanding hearts, and show us what each one of us can do to set forward the coming of the day of universal peace, amen."

Borman addressed the prayer to "people at St. Christopher's—actually to people everywhere." He is a lay reader at St. Christopher Episcopal Church at League City, Texas, near his home in Houston area.

What Astronauts Saw On Moon:

When **Apllo-8** went into lunar orbit, the control centre asked: "What does the old Moon look like?"

Capt. Lovell replied: "The Moon is essentially grey. No colour...the Sea of Fertility doesn't stand out as well here as it does on Earth... we're getting quite a bit of contrast as we approach the terminatory".

[The terminator is the line between darkness and light on the Moon].

He added that the view was very good and that it was easy to pick out landmarks.

As **Apollo-8** passed the lunar craters Colombo and Guttenberg, Major Anders reported: "Very good detail...they're very visible."

Gazing down on a landscape of crater-pocked plains, boulder-strewn plateaus and rugged mountains, Major Lovell reported on the great number of craters: "The craters are all rounded off. There's quite a few of them. Many of them look alike, especially the round ones, like they've been hit by meteorites or projectiles of some sort. The walls of the craters are terraced, about six or seven terraces on the way down.

"Langrenus is quite a crater, has a crown to it. Walls are terraced. The .craters are all rounded off. There's quite a few of them. Some of them are newer.

"Quite a huge crater with a central cone to it. The walls of the crater are terraced, about six or seven terraces on the way down".

As the spacecraft came up over the Sea of Fertility, Capt. Lovell said he could see "the rays coming out of a crater."

Shortly afterwards he reported that the ship was coming up from the site that was being considered prime for the first lunar landing.

"Be advised," Capt. Lovell told ground control, "the round window, the hatch window, is completely iced over. We can't use it. Major Anders and I are sharing the rendezvous window."

Major Anders, who took over at this point, said: "Earth shine is about what we expected. (The reference was to the light that is reflected on to the Moon from Earth). You can see large craters quite distinctly...you get a good three-dimensional view of rims of larger craters. There is very good detail visible. We can see the long, parallel faults or grobbins. (A grobbin is a rent in the Earth).

"We're directly over our first initial point now for B1 B- (a landmark that relates to a projected landing site). It's almost impossible to miss. Very easy to pick out. We can look right over into the second initial point. I can see very clearly the five-cratered star formation which we have on our lunar chart".

Captain Lovell named "Mount Marilyn" as one of the possible lunar landing sites." He told the Houston space centre that he had chosen the spot—one of the five selected by the three astronauts as possible lunar landing sites —because "it appears that visibility at this particular spot is excellent."

Capt. Lovell's wife's name is Marilyn.

Col. Frank Borman said: "The Moon is a different thing to each one of us. I know my own impression is that it is a vast, lonely, forbidding expanse of nothing. It looks like clouds of pumice stone. It certainly would not appear to be a very inviting place to live or work".

Captain James A. Lovell said: "The vast loneliness of the Moon is very awe-inspiring. The Earth is a grand oasis in the vastness of space.'

Major William A. Anders: "The lunar sun-sets and sun-rises bring out the stark nature of the terrain".

In **Apollo-8's** fourth telecast from space, Col. Borman said: "What you are seeing are the craters Casper and Gilbert. What you can't see are the small, bright impact craters that dominate the lunar surface. The horizon here is very, very stark. The sky is pitch black, and the Sun is white. Coming into view are some interesting old craters. Further, on the horizon, you see the mountains coming up now. They are heavily impacted with numerous craters".

Capt. Lovell, picking up the narration, said: "Actually, I think the best way to describe this area is vastness of black and white—absolutely no colour. You can see by the numerous craters that this planet has been bombarded through the aeons....."

Major Anders said: "Eventually these (the crater rims) get eroded down by the constant bombardment of small meteorites. There's a very dark crater in the filling material of this valley in front of us now. Very unusual, because it's clearly defined, but dark inside, where most new-looking craters have bright interiors...You are now seeing the Sea of Crisis coming over the horizon...The sea is remarkably smooth..."

Apollo control: "This is phenomenal".

Major Anders: "Directly in front of the space-craft now running along the edge of a small mountain to a sinuous shape with right angle turns. Just to the west of the Sea of Crisis is the Marsh of Sleep and west of that is the Sea of Tranquillity. Can you see the fracture pictures on the bar in front of us? I hope all of you back on Earth can see what we mean when we say, a rather forbidding horizon—a rather dark and unappetizing place. We are now going over one of our future landing sites in the Sea of Tranquillity. Smooth to make it easy for future landing attempts, to avoid having to dodge mountains. Now I can see lunar sunrise."

Capt. James A Lovell said about two minutes before sunrise that the horizon "began to brighten up. It's sort of a fine, white haze...it takes a fan shape unlike a sunrise on earth where the atmosphere affects it".

Before the sun peeped above the horizon, Capt. Lovell said: "Definite rays could be seen coming from the other side. And it came as a uniform haze emanating from the centre spot where the sun was going to rise."

Journey Back To Earth:

On December 25, 1968, the three **Apollo-8** astronauts, exhausted but happy, headed for home, resting and sleeping on their first "day off" since being blasted into space on December 21, 1968. They were reported extremely tired after their historic voyage ten times around the Moon on December 24, 1968.

During their 20 hours in lunar orbit, they spent as much time as possible taking pictures and carrying out observation and navigation exercises, to gather data for a manned Moon landing some time in 1969. Although rest periods were scheduled while in Moon orbit, none of the astronauts rested very well.

Firing of the space-craft's engine, to pull **Apollo-8** out of lunar orbit and set it on a course for Earth, brought a peak of tension for both the astronauts and flight controllers.

The astronauts triggered the 20,500-lb thrust rocket at 11-40 a.m. (IST) on December 25, 1968. The firing occurred behind the Moon and it was 15 suspenseful minutes later before the Mission Control Centre made radio contact with the space-craft and confirmed that the astronauts were on their way home. Officials said preliminary estimates were that the burn lasted 3 min. 23 sec., about six seconds longer than had been planned.

Communications improved considerably as the space-craft started back towards Earth. Observers at first thought that they heard one of the astronauts saying the burn had lasted only 2 min. 23 sec, but space officials said later that it actually had lasted 3 min. 23 secs.

A burn that was too short might have put the space-craft into what was officially described as "an unstable orbit" and might have left them stranded in space.

Earlier on December 25, 1968, as they prepared to return home, the astronauts sent a Christmas message to Earth in which they quoted from the Book of Genesis and added: "And from the crew of the **Apollo-8**, we pause with good night, good luck, and Merry Christmas and God bless all of you—all of you on the good Earth".

Splashdown In The Pacific:

The **Apollo-8** Moon explorers came home from the heavens on December 27, 1968, blazing back through the Earth's atmosphere to a parachute landing in a darkened Pacific Ocean.

Thus, America's newest space heroes ended man's greatest space adventure and one of history's most momentous explorations when their six-tonne spaceship dropped into a gently rolling sea about 1,700 kilometres (1,100 miles) south-east of Hawaii.

The landing was almost pin-point —an estimated 4,800 metres from the main recovery carrier, the **Yorktown.**

Mission Control said that the **Yorktown** had confirmed the 4,800-metre distance and that the ship reported receiving radio messages from the astronauts as they bobbed in the water.

The astronauts hit the water at 9.21 P.M. IST. They were the first US astronauts to land in darkness. It was 4-50 a.m. local time, about an hour before dawn and 45 minutes before first light.

The astronauts had been away from the Earth for six days and three hours. They travelled 69 hours outward and then raced home in 58 hours. They logged about 867,000 km.

To reach their landing target in the Pacific, the astronauts survived man's hottest and fastest re-entry through the atmosphere. **Apollo-8**, which slammed into the outer limit of the atmosphere at 39,590 km an hour, was punished by forces nearly seven times the pull of gravity and was blistered by heat of more 3,000 degrees C.

The astronauts had been on a perfect course since they fired themselves out of the Moon orbit early on December 25, 1968 and started their 58-hour, 374,000-kilometre home-ward journey. So accurate was the path that three planned mid-course corrections were cancelled.

As **Apollo-8** slammed into the outer boundary of the Earth's atmosphere 121,800 metres above the Pacific, friction built up and the craft heat shield was blistered. But the temperature in the cabin remained a comfortable 21 degrees C.

Before hitting the atmosphere, the astronauts jettisoned a service module attached to the cabin.

To reduce the effect of gravity build-up, **Apollo-8** skipped like a stone off the atmosphere at 60,000 metres, bouncing back to 70,000 metres, before making the final plunge.

The first word that **Apollo-8** had survived the blazing dash came from Capt. Lovell, who radioed: "We are in real good shape." The crew reported they had passed through a "real fireball" during the critical re-entry. Ships quickly picked up the descending space-ship on radar.

The atmosphere braked the speed of the fleeting craft, making it possible for small parachutes to pop out to stabilize it. At 3,047 metres, the three main parachutes opened and the astronauts floated gently downward into the Pacific, travelling at a speed of 35 km per hour.

First word that the astronauts were down came from a helicopter that reported seeing flashing lights, and added: "We have voice contact." Within minutes after the landing, a heicopter was over the spaceship, illuminating the area with a giant flood-light. The astronauts climbed into a helicopter 80 minutes after landing and were ferried quickly to the carrier **Yorktown.**

The astronauts were dressed in white flight suits, into which they had changed while waiting for recovery. They smiled and waved to acknowledge the cheers of the sailors.

Col. Borman stepped to a microphone and thanked the crew for the great recovery operation. He said: "We're very happy to be here with you. We appreciate your effort. We know you had to stay out here over Christmas. It seems that Capt. Lovell and I always seem to fly in December. But on **Gemini-7,** we got home before Christmas.

"We are very proud to be part of this great achievement. We're proud of it and we appreciate the part you played in getting us back."

Zero Gravity Area:

When **Apollo-8** headed for re-entry on December 27, 1968, the three astronauts on board the epoch-making capsule skidded by one of the most "motionless areas of space" where the gravitational fields of the Earth, Sun and Moon cancel each other out.

Apollo-8 was accelerating back towards the Earth when it passed by the focus of one of the strangest theories in astronomy—without the cosmonauts managing to make the observations that would verify it.

According to 18th century astronomer La Grande, the universe's "rubbish" should hang suspended precisely where the major gravitational fields in the cosmos cancel out.

Of the five areas where modern astronomers are prepared to speculate that this might happen, one lay close to the point of "zero gravity" which the **Apollo-8** mission passed through on its journey from the Earth to the Moon and back.

The astronauts should, therefore, have been able to observe "cosmic rubbish"—bit and pieces of stars or planets—hanging in suspension as a form of cosmic dust.

Modern research attempted to test La Grande's theory with the **Gemini-11** and **Gemini-12** Missions, but their cameras did not work and the attempt produced nothing decisive.

Felicitations:

President L. B. Johnson, sending his congratulations to mankind's first path-finders to the Moon, told the astronauts on December 27, 1968 that they had ushered the world into a new era.

He said: "We rejoice that you're well and we send you congratulations from all your fellow-countrymen and all peace-loving peoples in the world. Well done."

Mr. Johnson disclosed that the White House had used the "hot line" to Moscow to keep the Soviet Government informed of the progress of the historic flight to the Moon and back.

The President of India, Dr. Zakir Husain, congratulated President Johnson on the successful completion of **Apollo-8's** trip to the Moon.

In a message to the US President, Dr. Zakir Husain said: "We in India have followed with great admiration, and no little awe, the incredible flight of **Apollo-8** in its historic orbit of the Moon and the safe and successful completion of the hazardous mission in the cause of science and human endeavour by the three intrepid astronauts, Col. Borman, Capt. Lovell and Maj. Anders, which is a matter for universal relief and the highest possible commendation."

The Indian Prime Minister, Mrs. Indira Gandhi, congratulated the United States and its people following the successful return of the three American astronauts after orbiting the Moon.

Soviet cosmonauts also congratulated the three American astronauts on their orbit around the Moon and safe return to Earth.

In a message released by the Soviet Embassy in Washington, they described the trip as "another milestone in scientific and technical progress."

Ten Soviet cosmonauts in their telegram congratulated the "American scientists and all the American people on your successful flight." The telegram was signed by Gherman Titov, Andrian Nikolaev, Pavel Popovich, Valery Bykovsky-Mrs. Valentina Nikolaeva-Tereshkova, Boria Egorov, Constantin Feoktistov, Pavel Belayev, Alexis Leonov and Georgy Beregovoi.

It said: "We followed very closely each stage of your flight and note with satisfaction the precision of your joint work and your courage which contributed to the excellent completion of this important experiment. We are confident that the exploration of outer space will greatly benefit earthmen. We congratulate you on a successful step towards this noble goal."

Moscow Radio and **Tass** carried brief reports of the safe return of the astronauts about half-an-hour after the splash-down.

Records Of Astronauts:

Apollo-8 Commander Col. Frank Borman (40), a veteran of the space programme, graduated eighth in a class of 670 at the US Military Academy in 1950. During his aviation career, he was plagued by medical problems that repeatedly threatened to ground him for life. But he overcame them and was included in the September, 1962 group of astronauts.

Col. Borman, with **Apollo** mate, Capt. James A. Lovell Jr., manned the 14-day **Gemini-7** flight. Prior to the Apollo mission, they had 755 combined hours in space, more than the combined total of the Soviet cosmonaut corps.

Capt. Lovell graduated from the Naval Academy in 1952 and was in his fourth year as naval test pilot when the astronaut selection began in 1959. He was passed over for the first group but applied again and was accepted.

Besides **Gemini-7,** Capt. Lovell commanded the final Gemini flight, the four-day **Gemini-10.** He is now the world's most travelled astronaut.

Major William A. Anders (35) attended the Naval Academy but chose the Air Force as a career. He also attended the Air Force Institute of Technology and graduated with a Master of Science degree in nuclear engineering.

Son of "an old Navy battleship man", Major Anders was born in Hong Kong while his father was Executive Officer on the gun-boat "Panay" cruising the rivers of China.

Soviet Reaction:

But **Apollo-8's** journey to the Moon won both praise and criticism in **Pravda** on December 23, 1968.

Academician Georgy Petrov, Director of the Academy of Sciences Institute for Cosmic Experiments, praised the American astronauts' courage in undertaking the journey and wished them a happy splash-down.

He said that if the mission was successful, it would make a new achievement in space research.

But, Mr. Petrov introduced two weighty reservations. He said the mission was being undertaken at a time of high solar activity and there were grounds for agreeing with those who thought the risks involved were considerable. The American practice of leaving full control of the space-craft to astronauts also did not appeal to the Academician. He thought the Soviet method of entirely duplicating the control systems so that a space-ship could be brought down automatically if the need arose was better.

Besides, he stressed the point that the present American effort had been made possible by previous Soviet successes, particularly the flights of the unmanned **Zond-5** and **Zond-6**.

Other Reactions:

Britain saluted the world's first "lunar-nauts" as **Apollo-8** entered orbit of the Moon on December 24, 1968.

Mr. Kenneth Gatland, Vice-President of the British Inter-Planetary Society, said: "We salute the brave Columbuses of space. Their exploit has shrunk mother Earth—the cradle. of humanity—to the proportions of a compact sphere against the stars.

"The inter-planetary age that now stretches before us must enormously affect human philosophy as well as science and technology.

"The human spirit this day has begun to soar to new dimensions of experience, exploration and discovery."

Sir Bernard Lovell, Director of Britain's Jodrell Bank Observatory, said that the orbiting of **Apollo-8** manned space-craft around the Moon would be regarded as one "of the historic moments in the development of the human race."

He said: "This morning's (December 24, 1968) description transmitting live from space a human being viewing the Moon from only 70 miles (112 km) away must be regarded as one of the historic moments in the development of the human race. The American achievement in carrying out this hazardous programme with such precision will be recognized as one of the great engineering and technical feats."

In Holland, scientists of the Utrecht National Observatory said: "It's tremendous. A new era is opening up for us. We certainly have achieved a thousand-year leap in space."

Dr. Vikram Sarabhai, Chairman of the Indian Atomic Energy Commission said: "It is a fantastic feat."

Chronology Of Voyage:

The following is a brief chronology of the Moon flight of **Apollo-8.**

December 21, 1968:—The spacecraft was launched by a Saturn-5 rocket, with three astronauts aboard at 6-21 p.m. (IST), for the first human flight destined for orbit around the Moon.

December 22, 1968:—The craft was half-way to the Moon by 5-50 p.m. IST. The trajectory was so perfect that only a slight adjustment was necessary.

December 23, 1968:—The flight continued without hitches on the pre-determined trajectory.

December 24, 1968:—**Apollo-8** passed behind the hidden face of the Moon and braked to place itself in lunar orbit. **Apollo-8** began its revolutions around the Moon. At 8-10 p.m. (IST), the second elliptical revolution around the Moon was completed, and **Apollo** placed itself on a nearly perfect circular orbit at 70 miles above the Moon's surface.

December 25, 1968:—The rocket motor was fired to tear the spacecraft from the lunar orbit. By 11-44 a.m. IST, this operation had succeeded, and the return to Earth had begun.

December 26, 1968:—**Apollo-8** kept to the pre-determined trajectory and no adjustment was necessary.

December 27, 1968:—With the trajectory remaining perfect, the last planned adjustment was cancelled. At 9-7 p.m. IST, **Apollo** crashed like a flaming meteor into the Earth's atmosphere. It splashed down at 9-21 p.m. IST, the pre-calculated time, only 5,000 yards from the US aircraft-carrier **Yorktown** which was awaiting it.

Space Records:

The **Apollo-8** astronauts went into their sixth and final day of flight with a string of space "firsts" already behind them.

The Mission's records include:

—Highest speed achieved by humans, 24,171 miles per hour, at their break-away from Earth orbit.

—Greatest distance from Earth reached by humans, about 233,000 miles while in orbit around the Moon on December 25.

—First men to orbit the Moon.

—First men to leave Earth's gravitational sphere.

—First men to see the Moon's gravitational field.

—First men to lose total ocntact with Earth, while circling the Moon's far side.

—First men to see the Moon's far side.

US And Soviet Records Of Manned Space Flights:

The following is a table of US and Soviet records of manned space flights up to November 15, 1968:

Number of manned space flights completed: 17 (USA), 10 (USSR).

Astronauts and Cosmonauts flown in space: 29 (USA), 13 (USSR).

Total man-hours spent in space (hours and minutes): 2,774:08 (USA), 628:52 (USSR).

Total revolutions with manned spacecraft: 800 (USA), 371 (USSR).

Total hours spent in space by manned spacecraft: 1,283:53 (USA), 554:43 (USSR).

Men flown in more than one space flight: 7 (USA), 1 (USSR).

One-man flights: 6 (USA), 8 (USSR).

Two-man flights: 10 (USA), 1 (USSR)

Three-man flights: 1 (USA), 1 (USSR).

Longest endurance flight (hours and minutes): 330:35 (USA), 119:06 (USSR).

Orbits completed during longest endurance flight: 206 (USA), 81 (USSR).

Highest altitude reached during manned space flight: 853 mi. (USA), 307.5 mi. (USSR).

Astronauts and Cosmonauts who have "walked" in space: 5 (USA), 1 (USSR).

Total man-hours of "space walks" (hours and minutes): 6:01 (USA), 0:10 (USSR).

Capt. J. Lovell Longest In Space:

Capt. James Lovell Jr. (40), who did not make the astronaut team his first time out, by the **Apollo-8** flight, has strengthened his grip on the world's time in space championship.

The **Apollo-8** flight gave him more than 572 hours of space travel. His closest competitor is Col. Frank Borman, the **Apollo-8** Commander who has nearly 478 hours.

Col. Borman and Capt. Lovell registered most of their time during the **Gemini-7** flight in December, 1965. That flight is still the longest in history, having run 206 revolutions around the Earth in 330 hours and 35 minutes.

Capt. Lovell added another 94 hours during the **Gemini-13** flight in November, 1966.

The **Apollo-8** flight was scheduled for 147 hours 8 minutes.

Capt. Lovell and Mr. Walter M. Schirra Jr. are the only two astronauts ever to make three space flights. Mr. Schirra, the only man to fly in the Mercury, Gemini and Apollo programmes, has logged 295 hours, 13 minutes and ten seconds in space, the third greatest amount.

Jules Verne's Vision 100 Years Ago:

More than a hundred years ago, Jules Verne wrote prophetically of a space capsule orbiting the Moon. His tale has much in common with the journey of **Apollo-8.**

In his book, "From the Earth to the Moon," published in 1865, the French science-fiction story-teller wrote of launching a projectile which, like the **Apollo,** had three men aboard.

The Frenchman chose a launching site about 160 km from Cape Kennedy. December 1 was the date of the fictitious flight, December 12 its splash-down in the Pacific Ocean, and December 29 the day the capsule was to float to the surface.

Apollo-8 was launched on December 22, with splash-down scheduled for December 27 in the Pacific.

Writing at a time when the airplane had not even been invented, Verne estimated his projectile would initially travel at 12,000 yards per second—or about 25,000 miles per hour during the 238,833-mile journey.

Apollo-8 began travelling at 24,200 miles per hour for the 225,000-mile flight.

Verne described his projectile as a cast-iron tube lined in aluminium, 12 feet high with a base of 54 square feet and weighting 12,230 lbs.

The **Apollo-8** crew apartment capsule is a cone-shaped capsule which, minus the 36-storey Saturn-5 rocket, is 12 feet long. It has an aluminium alloy inner structure encased by a brazed stainless steel-heart shield coated with plastic. It weighs 12,392 lbs.

Verne's space capsule was described as having orbited the Moon. The book described in detail the lifeless satellite with its crusty surface and deep craters.

Apollo-8 also described the Moon's surface, and photographed one area which it named after Verne.

(**The New York Times, USIS**, New Delhi, **The Statesman**, Calcutta, **The Times**, London and **The Hindu**, Madras)

[Prev. ref. 8617:AOA:A]

B. Russia Launches Unmanned Satellite To Venus: Russia sent a 1,130-kg unmanned satellite hurtling into space on January 5 on a four-month journey destined to end with a new soft-landing on the mystery planet Venus.

The new satellite carrying pennants with a bas-relief of Lenin and a Soviet coat of arms, is intended to continue the research started by **Venus-4** which parachuted to the planet's surface in October, 1967, after sending 90 minutes of unprecedented information on Venus' atmosphere back to Earth.

The satellite, only slightly heavier than **Venus-4**, was launched into Earth orbit at 09.20 Moscow Time. About 80 minutes later, over Africa, the main part of the satellite was blasted from the carrier rocket on its 250 million km journey to Venus. It is due there in the middle of May.

The official Soviet news agency **Tass** said **Venus-5** carried a wider range of scientific and measuring equipment than its predecessor. This would make it possible to obtain fuller and more accurate measurements of the planet already shown to be an arid hotbed where only the most primitive forms of life can exist.

Venus-3 which smashed into the the planet on March 1, 1966 made history. It was the first time that an earth-made object had actually landed on another planet. The others missed the planet by about 24,000 km.

The Soviet space shot came nine days after America's successful round-the-Moon space flight by astronauts Bill Anders, Frank Borman and Jim Lovell.

(Tass)

[Prev. ref. 8069:AOA:B]

C. Czech Government Resigns—New Cabinet: The Czechoslovak Prime Minister, Mr. O. Cernik, called on the President, Mr. Ludvik Svoboda to submit his Government's resignation in Prague on December 29, 1968.

President Svoboda asked Mr. Cernik to stay in office until a new Government was formed.

The Government's decision to resign followed a new law that set up Czech and Slovak State Governments with a smaller Federal Government in Prague looking after the national interests.

The following day, President Svoboda appointed a new Cabinet headed by Mr. Cernik as follows:

Premier: Mr. Oldrich Cernik.

Deputy Premiers: Dr. Petr Colotka, Dr. Samuel Faltan, Mr. Frantisek Hamouz and Mr. Valacav Vales.

The other Ministers were:

Foreign Minister: Mr. Jan Marko;

Defence Minister: Lt.-Gen. Martin Dzur;

Interior Minister: Mr. Jan Pelnar;

Planning Minister: Mr. Frantisek Vlasak;

Finance Minister: Mr. Bohumil Sucharda;

Foreign Trade Minister: Mr. Jan Tabacek;

Minister of Labour and Social Welfare: Mr. Michael Stancel.

Apart from the seventh federal Ministries, the office of Premier and the four Deputy Premiers, nine other Ministers were named to head federal committees.

Federation Comes Into Force:

On January 1, Czechoslovakia became two Socialist Republics.

Amid traditional new year's celebrations, the statue of King Wenceslas in the heart of the city—a protest billboard since the August, 1968 Warsaw Pact occupation—was again decorated with candles, wreaths and flowers.

Under a complicated new law which came into effect at midnight, Czechoslovakia is divided into a federation of Czech and Slovak Republics, with a Federal Government and Parliament.

A new Czech Government for Bohemia and Moravia is to take office in Prague. A new Slovak Government is to take office in Bratislava. Both will remain under a small Federal Cabinet on such matters as foreign affairs and defence, but can go their own way on internal matters.

There are some 3.5 million Slovaks in a country of 14 million people.

President Ludvik Svoboda warned the Czechoslovaks that he could not promise an easy, smooth road in 1969. But the President, whose iron resolve in Moscow after the August invasion won him international admiration, went on to promise his fellow countrymen: "We shall even apply, practically, in the future the principle that our people are masters of their own country."

West Bengal Council Of CPI Endorses Soviet Intervention:

On January 1, the West Bengal State Council of the Communist Party of India (CPI) overwhelmingly endorsed the Soviet intervention in Czechoslovakia.

The State-wide discussion at different levels of the party on the Soviet action on the basis of two documents circulated by the National Council was rounded off at the three-day meeting of the State Council in Calcutta.

Out of 101 members of the State Council, 85 were present. Seven members were highly critical of the Soviet intervention, while the rest voted in endorsement of the action.

(**The Times**, London and **The Statesman**, New Delhi)

[Prev. ref. 8546:AOA:A, 8574:AOA:A, 8644:AOA:B]

D. IMF Member-Nations Accept SDR Proposals: It was disclosed in Washington on January 3 that 27 member-nations had formally notified the International Monetary Fund that they accepted the proposed Special Drawing Rights (SDR), or "Paper Gold" methods of stabilizing the Western world's monetary system.

The 27 nations have just over 47 per cent of the total voting power in the Fund. Before "Paper Gold" can go into force, it must be accepted by 67 of the Fund's 111 member-countries, with 80 per cent of the vote.

"Paper Gold" amendments to the Fund's articles were completed in April, 1968 and approved on May

9 by a substantial majority of the Fund governors.

(**The New York Times**)

[Prev. ref. 8430:AOA:A, 8664:AOA:C]

E. USSR Budget For 1969: The Supreme Soviet of USSR unanimously adopted on December 13, 1968 a 134,000 million rouble (roughly $148,000 million) Budget for 1969, of which 17,702 million roubles, or about 13 per cent of the total, will be earmarked for military spending.

Two modifications were voteed—to increase funds allocated to light industry by 108.4 million roubles and to cultural affairs by 122.7 million roubles.

The Soviet legislative body adopted a Budget that provides for receipts of 134,097,726,000 roubles and spending of 133,898,408,000 roubles.

[USA's 1967 Budget provided for $125,731,987,115 expenditure, including more than $68,000 million in military funds].

(**Tass** and **The Statesman,** New Delhi)

[Prev. ref. 7526:AOA:E]

F. US Cabinet Appointments: The US President-elect, Mr. Richard Nixon, said in a statement in Washington on December 11, 1968 that the 12 men he had selected to fill his Cabinet "have a potential for great leadership."

Addressing the nation in a 30-minute televised speech from Washington's Shoreham Hotel, he broke with tradition to introduce, all together, the members of his team and their families.

He said that his Cabinet appointees would be "more available to the Press."

Mr. William Pierce Rogers, nominated to the crucial Secretary of State office, was described by Mr. Nixon as "a superb negotiator" who "keeps a cool head."

Mr. David Kennedy, Chairman of the Continental Illinois National Bank and Trust Company, Chicago, will be Secretary of the Treasury.

His selection for the other jobs was as follows:

Attorney-General: Mr. John Mitchell of New York, his campaign manager and former law partner.

Secretary of Health, Education and Welfare: Lieutenant Governor Robert Finch of California, who managed Mr. Nixon's first, losing campaign for the White House eight years ago.

Secretary of Housing and Urban Development: Governor George Romney of Michigan, the man Mr. Nixon pushed out of the 1968 Presidential race with a drubbing in the public opinion poll prior to the Hampshire primary.

Secretary of Labour: Mr. George Schultz, Dean of the Graduate School of Business at the University of Chicago.

Secretary of Transportation: Governor John Volpe of Massachusetts.

Secretary of Interior: Governor Walter Hickel of Alaska.

Secretary of Commerce: Mr. Maurice Stans, budget director to former President Dwight D. Eisenhower, and Mr. Nixon's campaign finance chairman.

Secretary of Agriculture: Mr. Clifford Hardin, Chancellor of the University of Nebraska.

Postmaster-General: Mr. Winton Blount of Montgomery, Alabama, President of the US Chamber of Commerce.

While Mr. Romney was a one-time political rival, the other two Governors Mr. Nixon named to his Cabinet were ardent and early supporters of his quest for the Republican Presidential nomination.

Eight of the Cabinet members were men drawn to Washington through elective politics or through assignments within the Federal Government. Mr. Rogers, Mr. Stans, Mr. Volpe, and briefly, Mr. Kennedy had served in Administration posts when Mr. Eisenhower was President.

Mr. Stans has long been a Nixon associate. He is 60 and a New York investment banker.

Mr. Romney (61) has been Governor of Michigan for six years. His smashing re-election in 1966 propelled him to the front rank of party Presidential contenders, but the lustre faded quickly and he withdrew in the face of a gigantic Nixon lead in public opinion polls. He campaigned vigorously for Mr. Nixon after the President-elect was nominated.

Mr. Hickel (49) went to Alaska 28 years ago, virtually broke. He became a millionaire in real estate and construction.

Mr. Volpe, too, is a construction man and has three times been elected Governor of Massachusetts. Federal Highway Commissioner during the Eisenhower years, Mr. Volpe had courted the Vice-Presidential nomination, and was said to have been in the running until Mr. Nixon settled on Mr. Agnew.

(**The New York Times**)

[Prev. ref. 8659:AOA:A]

G. US Discount Rate Raised: The United States on December 17, 1968 raised the Federal discount (bank) rate to 5½ per cent to curb inflationary pressure which, it said, was impeding restoration of economic stability.

For the second time in 1968, the rate was at its highest level since after being cut from 5½ per cent to 5¼ per cent on August 16.

(**The New York Times**)

[Prev. ref. 8430:AOA:B]

H. Elections To UN Security Council: The composition of the UN Security Council changed on December 31, 1968 when five new members joined the 15-member Council for two-year terms.

The new members replaced countries from their region whose terms had expired.

Colombia, Nepal, Finland, Spain and Zambia had been elected by the General Assembly—on the nomination of regional groups—to succeed Brazil, India, Denmark, Canada and Ethiopia respectively.

Five other non-permanent members—Paraguay, Pakistan, Algeria, Hungary and Senegal—have another year on the Council.

The presidency of the Council, which circulates alphabetically by countries each month, also changed when the Finnish Ambassador, Mr. Max Jacobson, replaced Mr. Makonnen of Ethiopia.

(**The New York Times**)

[Prev. ref. 8663:AOA:B]

I. British Submission To Jurisdiction Of World Court: In a declaration issued at UN HQ on January 1, Britain withdrew most of its reservations to the statute of the International Court of Justice and submitted itself to the jurisdiction of the world tribunal.

Britain agreed to accept the Court's jurisdiction in all legal disputes concerning the interpretation of treaties, questions of international law, breaches of international obligations and the nature and extent of reparations for such breaches.

(**The Times,** London)

J. World Exports: According to **International Financial Statistics,** the monthly statistical bulletin of the International Monetary Fund (IMF), the value of world exports exceeded $200 billion over a 12-month period for the first time in the year ended September 30, 1968.

Data for the third quarter expressed as an annual rate showed exports of $209 billion, compared with $206.8 billion in the second quarter, $199.4 billion in the first quarter, and $200.8 billion in the fourth quarter of 1967.

The latest total represented a doubling in value of world trade since 1959, but the distribution of the increase among various countries varied considerably. The percentage increase in dollar value of total world exports was 101 per cent from 1959 to the year ended September 30. The increase for industrial countries was 116 per cent, but the rate of growth of the United States and the United Kingdom export lagged at 91 and 45 per cent respectively. Exports of oil-producing countries rose by 75 per cent in the nine years. Exports of other less developed countries rose by 59 per cent.

For the third quarter of this year, there was a decline of 1.9 per cent in US exports from second quarter levels, compared to a decline of 8 per cent in the country's exports between the two comparable 1967 quarters. UK exports rose less than one per cent between the two 1968 quarters, but they had declined around 11 per cent in the comparative 1967 period. Exports of industrial Europe rose by 5.5 per cent in the third quarter of this year, compared to a decline of some 8 per cent. in exports between the 1967 second and third quarters.

For industrial countries as a whole—US, UK, industrial Europe, Japan and Canada—third-quarter exports were at an annual rate of $154,580 million, an increase of about 2.6 per cent. A year earlier, these exports had declined some seven per cent to a $130,660 million annual rate.

Use Of IMF Funds:

Use of IMF resources by member-countries in October, 1968 was moderate. New drawings totalled $42 million, comprising purchases of foreign currency by Morocco ($20 million), South Korea ($12.5 million) and smaller purchases by Burma, Ceylon and Tunisia. Repayments of previous drawings by other countries totalled $14.6 million.

Total 1968 drawing to the end of October—at $3,401 million—remained at record levels; of this total $2,771 million was drawn by industrial countries in the first half of the year.

Net drawings on the Fund at the end of October amounted to $5,465 million, compared with the peak figure of $5,654 million reached in June. The figure declined further to $5.2 billion at the end of November, partly due to repayments during the month of $125 million by the United States and $100 million by the United Kingdom.

(**The Times of India**, New Delhi)

[Prev. ref. 8501:AOA:F, 8576:AOA:G]

K. Canada's Contribution To Asian Development Bank: It was announced in Ottawa that the Asian Development Bank had accepted a Canadian contribution of $24 million on December 23, 1968 to be used for soft loans for priority projects in developing Asian countries.

An Agreement covering five yearly payments of Rs. 3.7 crores each was signed at the Bank's headquarters in Manila.

The money will go to the Bank's multi-purpose Special Fund, for concessional lending to developing countries on terms which were more flexible and bear less heavily on the recipients' balance of payments." This means low interest rates, periods of grace and extended repayment schedules.

The contribution is the second to the Fund, following Japan's recent contribution of $20 million.

(**The Times**, London and **The Statesman,** Calcutta)

[Prev. ref. 8621:AOA:F]

L. Effects Of Brain Drain: A UN report estimated on November 23, 1968 that India had lost approximately $5.5 million in 1967 in terms of education costs because of professionals lost to the United States and nurses lost to USA and other countries.

The report on the problem of brain drain, submitted in accordance with a study ordered by the Economic and Social Council and the General Assembly in 1967, also estimated that USA in terms of costs to developing countries got reverse aid of over $ four billion since World War Two by brain drain, while the value in terms of US education costs would be "still higher."

The report, which noted the effects of such drain in the economy and development prospects of the developing countries, however, emphasized the difficulties in the way of solving the problem and said cessation of the drain was "neither feasible nor desirable and could be accomplished only in contravention of the UN Declarations and conventions on human rights and freedoms."

The report, however, showed that the problem was getting acute, particularly in some fields for some developing countries including India where the problem was becoming a "political issue" while the main beneficiaries appeared to be Western developed countries and particularly USA, Canada and Britain.

The report noted that there was very little drain to socialist countries who, by their visa and immigration policies, ensured return of educated and skilled persons back to developing countries.

In the case of India, the report specified many reasons leading to the emigration of trained personnel. Among these it listed meagre Indian salaries, inadequate manpower planning, overproduction of engineers leading to unemployment and what was called "official advice to Indian student engineers to find employment overseas."

The report showed that India lost in the five years ending June 30, 1967, 6,121 professionals to USA and 3,180 to Canada. Over 78 per cent of Indian immigrants to USA were professionals, while the figure for Canada was 60.7. The report also showed that 6.1 per cent of Indian engineers and 1.1 per cent of physicians emigrated from India.

Nearly ten per cent of India's medical doctors were working in foreign countries, mainly USA and Britain, while in India a large number of vacancies of physicians in Government clinics remained unfilled. If India was to reach its present targets for physicians while maintaining the present rate of emigration, it would be necessary for her to train more than 154 additional medical graduates each year.

(**The Hindu,** Madras)

[Prev. ref. 8398:INI:H]

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INDIA

SUMMARY: Visit Of Shah Of Iran; Aid To Bhutan; Supreme Court Verdict On Kutch Award Implementation; US Estimate Of IAF; Indian Science Congress; CPI (Marxist) Congress.

A. Visit Of Shah Of Iran: His Imperial Majesty the Shah-en-Shah of Iran and Empress Farah arrived in New Delhi on January 2 on a 12-day State visit to the country.

They were received at Palam airport by the President, Dr. Zakir Husain, the Prime Minister, Mrs. Indira Gandhi, Cabinet Ministers, Members of Parliament and others.

In brief airport speeches of welcome, both the Shah of Iran and Dr. Husain emphasized the contribution through mutual co-operation that India and Iran could make towards regional stability and prosperity and referred to the traditional and historic ties between the two countries.

Welcoming the Shah, Dr. Husain said the ancient, traditional and fraternal ties between India and Iran had not only endured through the ages but had actually grown in strength through the continuing and wide-ranging co-operation between the two countries. "I hope that this mutual rediscovery of Iran and India would revitalize and further stimulate the co-operation between the two countries and contribute to peace, stability and progress in Asia and the world."

In his remarks, the Shah of Iran said he was bringing with him the heartiest felicitations from the people of his country and best wishes for the continuing prosperity, progress and happiness of the people of India.

[This was the Iranian Emperor's second State visit to India; he was in this country in February, 1956. Relations between India and Iran have been extremely cordial. The two Governments signed a Cultural Agreement in 1956. Indo-Iranian co-operation in the technical and engineering fields is expanding rapidly, concrete evidence of this being Indian participation in the off-shore oil exploration of Iran and Iranian collaboration in the construction of an oil refinery at Madras. The late Prime Minister, Mr. Nehru, visited Iran in 1959 and in 1963, the then President, Dr. S. Radhakrishnan, paid a State visit to Iran.]

State Banquet:

At a State banquet given in honour of the Shah of Iran and Empress Farah the same evening (January 2), the President, Dr. Zakir Husain, described the visit of the Shah as "a milestone" in Indo-Iranian relations and expressed the "confident hope" that it would renew not only the ancient ties between the two countries but "will also beckon towards a common exercise in the practice of modern ideals of government."

He said that in international affairs India sought no more than friendship with all countries, particularly its neighbours. "We believe firmly that our friendship with any country should not be at the expense of any other."

He added: "Our primary concern continues to be for peace and stability and for peaceful settlement of disputes by the parties concerned without external interference. There is much in common between your Imperial Majesty's independent national policy and our policy of non-alignment."

Responding to the toast, the Shah of Iran traced the historical and cultural ties between the two countries which, he said, "are one of the most ancient of its kind in the world."

Referring to the present relations between the two countries, he said the approach of Iran and India to almost all the problems was very similar. "We attach importance to the dignity of the human being and the freedom of man. It is but natural that, bound by ties of the past and the present, we are seeking closer friendship." There were tremendous possibilities of co-operation between "our two countries and we must seek and develop it to the maximum possible extent."

He stressed the importance of regional co-operation and said: "Those who need assistance must be helped".

Talks:

There were talks between the Shah and Mrs. Gandhi on January 3 and among other Ministers and officials and it was decided that India and Iran should set up a joint Ministerial committee to take decisions on collaboration between the two countries in the technical, industrial, commercial and other spheres.

During the official-level talks, which followed the meeting between Mrs. Gandhi and the Shah, a reference was made to the trade imbalance between the two countries and it was generally agreed that India's deficit should be bridged by larger exports from this country.

Mrs. Gandhi was understood to have discussed the Indo-Pakistani conflict of 1965, which had an adverse effect on the economy.

India, she said, had repeatedly made and was continuing to make efforts to normalize relations with Pakistan. But the response from the other side was negative. However, the two Governments had agreed in October, 1967 to restore telecommunications and, at present, technical-level talks on the eastern rivers were going on. India, she said, was willing to enter into bilateral talks with Pakistan for the settlement of other outstanding issues.

In a brief reference to the international situation, especially the Arab-Israeli theatre, she said that the UN Security Council resolution of November 22, 1967, for which India had voted, provided the most practical basis for the easing of tensions and the eventual restoration of normalcy.

The Shah was also understood to have endorsed the November 22, 1967 resolution which declared that a solution of the West Asia problem required the application of the following principles:

(1) Withdrawal of Israeli troops from occupied territories, and

(2) Termination of all claims or state of belligerency, and respect for an acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries, free from threats or acts of force.

The UN resolution had also affirmed the necessity for guaranteeing freedom of navigation through international waterways in the area.

Civic Reception:

The Shah of Iran and Empress Farah were given a civic reception by the citizens of Delhi at the historic Red Fort on January 3.

The Shah was presented with an ivory table lamp and Empress Farah received a zari stole and a matching purse. A Persian translation of the civic address was also given to the distinguished guests as a souvenir.

The Shah, who spoke in Persian, said that for over 600 years Delhi had remained a centre of the Persian language and culture. During this period many Indian classics had been translated into Persian. He hoped that the cordial relations between Iran and India would be further strengthened in the years to come.

News Conference:

The Shah of Iran held a news conference in New Delhi on January 4 at which he said that he had been telling his Indian and Pakistani friends that if they could resolve their differences "it will be the best guarantee for security in Asia." He would be the happiest man in the world, he added, if he could do something to bring India and Pakistan together, but he made it clear that he could take interest only if both sides desired it.

The Shah was confident that there was "unlimited possibility and wide scope for very great and significant collaboration and co-operation between India and Iran." Iran had petro-chemicals while India had engineering and other industries. The question was to study how the two could co-operate to mutual advantage.

Answering a question, he said that the Regional Co-operation for Development (RCD) was not an exclusive body and that India too could join it, if it so desired. At the moment, if India could not co-operate with the RCD countries, it could develop bilateral relations with them. Iran's membership of the CENTO or RCD did not prevent co-operation with other countries. He was confident that, in due course, India too would join the RCD and other countries of the region just as countries in Europe were coming closer together.

When he was asked about Pakistan's close association with China, he cautioned that one should make a very careful assessment of what the Chinese stood for. He said that China's attitude depended on many factors and that it would not be easy to understand it. China's policy was based on nationalism rather than on anything else. "The Chinese would like to exploit anything which is in their favour and, in this context, they may even pursue opposing policies simultaneously." At the same time, he believed that China should be admitted to United Nations as, without it, it would be impossible to reach the goal of disarmament.

The Shah was asked as to what had made his Government change its foreign policy in recent days. He replied that the change of policy was not because of this or that. "We started adopting an independent national policy when we came to the conclusion that every country should try to win new friends, not only those close to us but even those very far away. At the same time, no country should depend on outside help and every country must depend entirely on its own resources. This is the main theme of our policy."

Answering another question, he said that Iran's relations with the Soviet Union were now "excellent". The border problem and "the legacies of World War II" between the two countries had been solved. Very important economic exchanges had taken place between them. Iran was now laying a pipe-line at a cost of $500 million to deliver natural gas at the Soviet border. Friendship with the Soviet Union did not in any way hurt either the CENTO alliance or the Warsaw Pact.

On the West Asia situation, he said if Dr. Gunnar Jarring's mission did not succeed, then a solution must be found by the Big Four.

About Bahrain, he said that the island was separated from Iran by the British 150 years ago. And now, when the British were quitting the area, it would not be proper on their part to give the island to somebody else. "We cannot accept it." If the British were leaving the area by the front door, they should not sneak in by the back door. At the same time, Iran would not use force to occupy the island. If the people of Bahrain did not wish to join Iran, he would not force them. Ultimately, the future of Bahrain must be settled by some method acceptable to the world.

[The dispute over Bahrain which at one time threatened to lead to a breach between Iran and its Arab neighbours, specially Saudi Arabia, has been causing anxiety to every country interested in the future stability of the area. Once this dispute is out of the way, it should be entirely possible to evolve a regional arrangement to take effect after the British withdraw from the area in two years' time. Bahrain was under Iran's sovereign jurisdiction until it was leased to the British 150 years ago. Iran has hitherto been arguing that sovereign rights should revert to it, while Bahrain—its population is 75 per cent Arab—has been making a bid for independence within the frame-work of a new Federation of the seven other Sheikhdoms in the Persian Gulf. This bid has had the sympathy, if not support, of Saudi Arabia.]

Asked about the reported "understanding" reached recently among the RCD Powers—Pakistan, Iran and Turkey—on Kashmir, he replied: "We have said what has always been said. We voted for the resolutions of UN and nothing is new on the subject."

A correspondent said that one resolution of UN had called for the withdrawal of the Pakistani forces from occupied Kashmir. What was the attitude of Iran?

The Shah: "We subscribe to every resolution that has been passed in UN and all the resolutions we have voted."

Asked if he would favour a solution of the Kashmir problem by implementation of the UN resolutions or through the Tashkent Declaration, he said it was for the Governments of India and Pakistan to plan and decide. "After all, you are the people mainly concerned, and the people of Kashmir. My only wish is to see that the dispute is settled between the two countries, both of which are friends of my country."

The Shah complimented the Indian Press on its serious approach to problems, and said "serious journalism can do a great service to democracy."

In conclusion, he advised the Princes in India to surrender voluntarily their privy purses as he himself had done, provided they could earn in other ways.

He said: "I will tell them of my own experience that it is much better this way." He added as a final thought: "It is a big handicap to be a Prince these days".

[The Shahenshah had made over Crown lands to his tenants in 1951, ten years after he came to the throne. Later, the fabulous Crown jewels, including the Peacock Throne, were entrusted to the custody of Iran's Central Bank to serve as backing for currency. Finally, 90 per cent of the Crown property—valued at $120 million—

was transferred to the Pahlavi Foundation in 1961 to finance charities and social welfare works.]

Tour Of Country:

The Shah and Empress Farah left New Delhi on a tour of the country on January 5.

In a brief statement at Palam airport before his departure for Udaipur, the Shah thanked the people and the Government of India for the opportunity they had given him and Empress Farah to visit "this great and beautiful country of yours."

His present visit—and every exchange of visits by leaders of the two countries that would take place in future—he said, would result in further strengthening the bonds of friendship between Iran and India. He personally believed that there were various possibilities for developing the ties that bound Iran and India. "We will see new steps being taken in this direction every day."

From Udaipur, the Shah and his party went to Jabalpur, Hyderabad and Madras before reaching Bombay on January 11.

Delivering the convocation address at Osmania University in Hyderabad (India) on January 9 after he was conferred an honorary degree of Doctor of Laws, the Shah said that countries like India and Iran which had an ancient past should carry on a struggle on "a higher level" to defend spiritual and human values so that Man did not become a slave of technology.

On January 10, the Shah of Iran visited the Rs. 45-crore Madras Refineries, nearing completion with American and Iranian collaboration at Manali, near Madras.

Later, he visited the Rs. 11-crore Integral Coach Factory at Perambur and hoped that the railways from any country "would like to order the coaches from this very excellent factory".

Laying the foundation table of the library building in the S.I.E.T. Women's College in Madras on January 10, the Shah said that the progress of women's education in the country deserved special mention and lauded the role of S.I.E.T. College in advancing this objective.

He commended the "feverish activities in every field" in India, which "was on the move" and said that development was seen in the sophisticated heavy engineering, electrical, agricultural, and educational fields.

The Shah and his party arrived in Bombay on January 11 and visited the Bhabha Atomic Research Centre.

He was accorded a reception by Adm. A. K. Chatterji, Chief of the Naval Staff, on board the aircraft-carrier **INS Vikrant** on January 12. The Shah, attired in the uniform of an Admiral, and the Queen were heralded on board the carrier by eight trumpeters of the Indian Navy as they arrived on the flight deck.

Speaking at a reception given to him by an engineering firm in Bombay on January 12, the Shah visualized continuing collaboration in the field of economic development between his country and India. [The Indian firm had won a Rs. 15-crore contract for the supply of transmission towers and conductors required for the electrification programme of Iran.]

Joint Communique:

A joint **communique** issued at the end of his visit to India on January 13 said that the Shah of Iran had noted with satisfaction India's efforts to resolve all differences with Pakistan in a peaceful manner.

The Shah and Mrs. Indira Gandhi also welcomed the concrete measures taken in the last few years towards industrial and technological collaboration between India and Iran through joint ventures and expansion of trade.

The **communique** said: "The two sides agreed that there are immense possibilities of closer collaboration between Iran and India, especially in the petro-chemical field. Wider and more intensive co-operation between the two countries in the fields of science, technology and industry would not only hasten the process of economic growth of the two countries, but also contribute to the economic development of the region. In this context, the two leaders decided that a Joint Commission on economic, trade and technical co-operation headed by Ministers of the two countries would be set up to plan and implement specific schemes for co-operation through an exchange of technology, joint industrial ventures and the expansion of mutual trade."

Both re-iterated the need for greater international effort towards alleviating the problems of economic growth in the developing countries and bridging the widening gap between the developed and developing countries. In this context they noted the aims and endeavours of the Second UNCTAD and expressed the hope that continued and determined efforts would be made to achieve the objective.

Mrs. Gandhi welcomed the proposal outlined by the Shah for the creation of a Corps of Volunteers for Development and the unanimous decision by UN to approve it for further study.

The Shah and Empress Farah, the **communique** said, acquainted themselves with the cultural heritage of India in various parts of the country. The spontaneous reception given to them everywhere was a manifestation of the affection and esteem of the people of India and a deep mutual desire to foster close understanding and friendship and active co-operation between the Governments and peoples of the two countries.

Dr. Zakir Husain accepted a formal invitation from the Shah to visit Iran.

The **communique** went on: "His Imperial Majesty the Shahenshah and the Prime Minister of India exchanged views on the international situation and matters of common interest and discussed the further development of bilateral relations between the two countries. The talks were held in an atmosphere of mutual understanding and confidence and in a spirit of friendship.

"The two parties recognized the advantage of technical and economic co-operation between the two countries and its impact on raising the standard of living of the people of Iran and India, and expressed their desire for, and interest in, development of mutual co-operation in this regard.

"In regard to the situation in West Asia, they expressed their anxiety and concern over the delay in the implementation of the Security Council resolution of November 22, 1967 and the resultant growth of dangerous tensions in the region. They condemned the use of force and retaliatory acts as a means of settling political issues.

"The two leaders affirmed that the preservation of peace and stability in the Persian Gulf is the exclusive responsibility of the littoral States and there should be no interference by outside Powers.

"In regard to Viet-Nam, they agreed that the Geneva Agreement provided a suitable basis for a peaceful political solution and expressed the hope that the current discussions between the parties concerned would lead to a satisfactory settlement.

"The Prime Minister explained to His Imperial Majesty the Shahanshah India's efforts to develop good neighbourly relations with Pakistan and India's determination to seek a solution of all problems between the two countries on the basis of the Tashkent Declaration. His Imperial

Majesty the Shahenshah noted with satisfaction the Indian efforts to resolve all differences with Pakistan in a peaceful manner.

"Reviewing the international situation, the two leaders re-affirmed their faith in UN and the principles of the Charter and declared their continued support for the UN as the main instrument for maintenance of world peace and stability. They agreed that it was indispensable to strengthen this Organization to enable it to discharge its functions more effectively.

"His Imperial Majesty and the Prime Minister re-iterated their belief in nations pursuing independent policies within the frame-work of constructive international co-operation. They stressed the need for unqualified respect for the sovereignty, territorial integrity and independence of nations, and recognition of the right of each country to develop its personality according to its own genius and tradition.

"They re-affirmed the principle of non-interference by one country in the internal affairs of another and emphasized that all bilateral issues should be settled by the countries concerned through mutual discussion and peaceful means. They re-iterated their opposition to the use of force to secure territorial gains.

"The two sides confirmed that conclusion of a Treaty on complete and general disarmament under effective international control and signed by all Powers would be the greatest step towards establishment of peace and stability in the world."

Joint Commission Set Up:

The Indian Commerce Minister, Mr. Dinesh Singh is to head the Indian delegation on the Joint Indo-Iranian Commission announced on January 13 to implement specific schemes of collaboration between the two countries. The Steel Minister, Mr. P. C. Sethi and the Petroleum Minister, Mr. K. Raghuramiah will be associated with him,.

Iran's Minister for Economy, Mr. Alinaqui Alikhani, who holds the portfolios both of Commerce and Industry, will be the Shah's nominee on the Commission.

According to the Agreement arrived at during the talks between the two delegations, the Commission will set up several sub-groups of officials of the two countries to process specific projects and bring them up before the Commission for final approval.

The Commission is likely to accord high priority to trade between the two countries. Besides devising ways and means of increasing the volume of Indo-Iranian trade, it will ensure that an even balance is maintained in trade exchanges.

The other priority item on the agenda is collaboration in the field of petroleum and petro-chemical industries. Discussions have taken place at length and at various levels of several projects in these fields and the Commission is likely to finalize some of them.

Departure:

The Shah left for Tehran on January 13.

In a farewell message to the President, Dr. Zakir Husain, he said: "The traditional and historic ties of friendship and amity linking India and Iran" had been consolidated further by exchange of views between him and Indian leaders.

He expressed "sincere and heartfelt thanks" for the "very warm welcome and the cordial hospitality" extended to him and the Shahbanou by "the leaders and the noble people of India" during their visit.

(**The Statesman,** New Delhi and Calcutta, **The Hindu,** Madras and **The Times of India,** New Delhi and Bombay)

[Prev. ref. 7235:IRN:B, 8171:INI:D]

B. **Britain Rejects India's Plea For Exemption Of Cotton Textiles From Import Deposit Scheme:** It was learnt in New Delhi on January 9 that Britain had rejected India's plea to exempt its cotton textiles exports from the purview of the Import Deposit Scheme which Britain enforced recently to reduce its imports.

The scheme, it was explained, was purely a short-term measure. There was no alternative scheme to alleviate such complaints as may come up if it showed any discrimination to countries which were under quota restrictions and were even willing to exercise voluntary restraints on exports to Britain.

Earlier, in 1968 on Britain's request India had agreed to regulate shipments of certain categories of textiles to that country. The request followed the British fear of disruption of its home market consequent on India's fulfilling 55 per cent of its quota to Britain in just under four months.

(**The Statesman,** New Delhi)

[Prev. ref. 8728:INI:A]

C. **Financial Protocol With France Signed:** A financial protocol on aid to India amounting to 125 million francs (about Rs. 19 crores) for the purchase of French goods and services was signed in Paris on January 4.

The aid comprises treasury loan of 62.5 million francs repayable over 20 years with grace period of five years and interest at 3½ per cent per annum and bank credits of 62.5 million francs repayable over 10 years.

The aid represents France's contribution to economic development of India within the frame-work of the Aid-India Consortium.

(**Le Monde,** Paris and **The Hindu,** Madras)

[Prev. ref. 7065:INI:F, 8605:INI:E]

D. **Indo-Nepalese Talks On Economic Co-operation:** Indo-Nepalese talks on implementation of the economic co-operation programme in Nepal ended in New Delhi on January 4, with both sides expressing satisfaction over the progress of projects and agreeing to co-operate in new ones.

A joint **communique** issued at the end of the talks said India had assured Nepal of help in planning and executing some of the new schemes she had shown interest in. These included development of railway lines in Nepal; extension of transport and communication facilities and provision of irrigation and power projects.

The Indian delegation also appreciated Nepal's desire to progress economically on the basis of long-term planning; it was in the context of this that interest was shown in the new projects.

Progress of current schemes was also discussed and it was noted that this had been satisfactory. These included the East-West highway, technical assistance in the field of education, maintenance of major projects, special assistance programmes and completion of the Chhatra canals.

(**The Statesman,** New Delhi)

[Prev. ref. 8717:NEP:A]

E. **Aid To Bhutan:** It was disclosed in New Delhi on January 6 that India would give Bhutan an **ad hoc** subsidy of about Rs. 1 crore.

India will also meet the cost of repairing the roads, airfields and helipads damaged in last year's floods.

The normal annual subsidy to Bhutan is Rs. 5,00,000.

(**The Statesman,** New Delhi)

[Prev. ref. 8198:INI:B]

F. Naga Hostiles Clash With Central Police: Four men of the Central Reserve Police were killed and six others seriously injured in a clash with an armed Naga hostile gang near Khongkang on the Imphal-Moreh Road in Tengnoupal sub-division of Manipur on December 13, 1968.

The hostiles were equipped with light machine-guns and other automatic weapons.

Arms Seized:

In clashes with about 250 Naga hostiles in the North Cachar Hills on December 12 and 13, 1968, police seized a light machine-gun, a rifle and some ammunition with Chinese markings besides some documents.

A hostile was killed and four others, one of whom was wounded in the clashes, were captured.

According to an Imphal report, border security forces captured two rifles and a two-inch mortar from Naga hostiles at Machin in Tengnaupal, a sub-division bordering Upper Burma, on December 20, 1968.

Naga Messenger From China Arrested:

It was disclosed in Kohima on January 10 that an underground Naga, who carried a message from the China-trained rebels, had been arrested a few days earlier in Burma while returning after delivering the message to the rebel commander, Mr. Mowu Angami. He was one of the several men the Phizoites had employed to relay their messages.

The messenger confessed that the message had urged the "commander" to bring back his men immediately in view of the present crisis in the underground.

This was the second summons sent by the Phizoites. The first was sent in June, 1968 when the rebels were in China. In response to it, about 1,000 rebels led by Mowu had trekked back through northern Burma in August only to find their way blocked by security forces all along the Nagaland border.

Meanwhile, Mr. Issac Swu, who went to China early in 1968 on what was termed as a political mission had returned. Mr. Swu is a "foreign affairs expert" in the underground set-up and was included in all the delegations that held talks with the Prime Minister, Mrs. Indira Gandhi in New Delhi. China reportedly invited him after failing to reach a firm understanding with Mr. A. Z. Phizo on the question of assistance.

(**The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8535:INI:A, 8627:INI:H]

G. Mizo Hostiles Clash With Security Forces: According to information received in Shillong on January 10, seven Mizo hostiles were killed and four wounded in encounters with security forces in the last four weeks.

Large quantities of arms and ammunition and many important documents were seized. Security forces caught 25 rebels during the period; 33 had surrendered.

(**The Statesman,** Calcutta)

[Prev. ref. 8249:INI:E]

H. Diplomatic Appointments: In a series of diplomatic postings announced in New Delhi on December 10, 1968, Mr. Samarendranath Sen, High Commissioner to Pakistan, was appointed India's Permanent Representative to UN in succession to Mr. G. Parthasarathi.

Mr. Amrik Singh Mehta, Ambassador to Rumania, was appointed as India's next High Commissioner to Ghana, in succession to Mr. Shantilal Vithalbhai Patel. Mr. Mehta is expected to assume charge in February-March, 1969.

Mr. M. R. Thadani, Director in the External Affairs Ministry, has been appointed India's next Ambassador to Denmark in succession to Mr. A. B. Safrani.

Mr. Thadani is expected to assume charge in April.

Mr. S. S. Marathe, economic adviser, Ministry of Industrial Development, was appointed Minister (Economic) in the Indian Embassy in Washington.

Mr. B. D. Jayal, Joint Secretary, Ministry of Commerce, was also appointed Minister (Economic) in the High Commission in London in place of Mr. K. S. Raghupathi.

The appointment of new Ambassadors to Hungary and Rumania was announced in New Delhi on January 7.

Dr. Sumal Sinha, Ambassador in Somalia, succeeded Mr. J. C. Kakar as Ambassador to Hungary. He was expected to assume charge in February or March.

The new Ambassador to Rumania will be Mr. S. Thirupengada Than, Minister at the Indian Embassy in Moscow. He succeeded Mr. Amrik Singh Mehta. Mr. Than was likely to take charge of his new post in April.

Mr. Shardul Bikram Shah, at present Chief of Protocol, was named India's Ambassador in Madrid. Mr. Shah is expected to assume charge of his new post in February.

Mr. G. J. Malik, Ambassador to Senegal, was concurrently accredited Ambassador to Mauretania with residence in Dakar.

(**The Statesman** and **The Times of India,** New Delhi)

[Prev. ref. 6768:INI:J, 6963:INI:H, 8674:INI:H]

I. Implementation Of Kutch Award—Supreme Court Ruling: The Supreme Court held on January 9 that the implementation of the Kutch Award by the Government did not involve any cession of Indian territory to Pakistan but was only the settlement of a disputed boundary and hence no constitutional amendment was required to give it effect.

On this view, the Court dismissed the five writ petitions and three appeals by Mr. Madhu Limaye, MP and others against the Union of India challenging the competence of the Government to implement the Award by executive action alone.

The Chief Justice, Mr. M. Hidayatullah, giving the majority judgment, said that none of the petitioners had urged that the Award should not be implemented, but only insisted that the change should be made by way of constitutional amendment and not executive action. The fact remained that India undertook to be bound by the Award, pledging the national honour. Therefore, India must implement the Award. The only question was as to the steps to be taken.

He said that the Indian Independence Act of July, 1947 had created the two Dominions of India and Pakistan. By the same statute the paramountcy of the British Crown over the State of Kutch and certain other areas lapsed and they soon acceded to and merged with India. Sind was included in Pakistan while Bombay Presidency became a part of India and between these two territories lay the great Rann of Kutch. It appeared that from July, 1948 diplomatic Notes were exchanged between the two Governments with regard to the boundary between the areas lying between Gujarat and West Pakistan. The differences led to open hostilities in April, 1965, but in June the two Governments concluded an Agreement.

Under this Agreement if the parties failed to reach a settlement the dispute was to be referred to a tribunal for demarcation of the boundary. In consequence the Government of India nominated Mr. Alex Bebler, Judge of the Constitutional Court of Yugoslavia. Pakistan nominated Mr. Nasrollah Entesan of Iran, former President of the General Assembly of United Nations and Judge Gunnar Lagergren was nominated Chairman by the UN Secretary-General, U Thant.

The tribunal sat for nearly a year, took oral and documentary evidence and the two nominees of the Governments having disagreed, the chairman gave his opinion. He indicated the boundary between the two countries and marked it on a map. Therefore, the Government of India undertook to implement the Award and these petitions were filed.

Their Lordships were of the view that the settlement involved merely the demarcation of a boundary. An adjustment of a boundary between two nations could always be effected by the Executive unless there was a clear case of cession. No cession was established and hence in their opinion the Award could be implemented by the Government of India without Parliamentary action.

Mr. Justice Shah delivered a separate but concurring judgment.

The petitions and appeals were heard by the Chief Justice, Mr. *Justice Ramaswami, Mr. Justice Mitter, Mr. Justice Grover and Mr. Justice Shah.*

(**The Statesman,** New Delhi)

[Prev. ref. 8564:INI:C]

J. Strength Of IAF—US Estimate: According to figures published in a US digest of the aerospace industry, the current strength of the Indian Air Force (IAF) is estimated at 30 combat squadrons, a good deal short of the 45-squadron target prescribed for it in the defence plan drawn up in the wake of skirmishes with China. Even so, the strength is double the pre-1962 level.

This estimate credits the IAF with 23 fighter squadrons. Eight of these are equipped with Gnats, which came into service in 1960 with the purchase of 25 complete aircraft and 15 in "knocked-down" condition for local assembly.

Since 1960, Hindustan Aircraft is said to have built another 200, partly to offset losses sustained in the conflict with Pakistan in 1965. Each squadron has a complement of 16 Gnat interceptors, plus four to eight aircraft in reserve.

Six MIG squadrons are now believed to be in service. India is credited with the purchase of 100 MIG-21s, and with having 300 more on order from local production facilities. The IAF has evidently plans to equip another 15 squadrons with these interceptors, two of which may replace the tactical reconnaissance squadrons now flying Vampires.

India, the digest says, started with 160 F-56 Hunters bought from the UK for ground-support duties. These constitute six squadrons, 36 more Hunters having been bought to make good losses.

India, as is public knowledge, plans to replace the Hunter with the HF-24, which were due to begin service originally in 1963 but began squadron duty only in 1967. Sixty of these are said to be on order with the Orpheus-703 engine giving Mach 1 capability and 20 more with a reheat device to make these fighters transonic.

It is suggested that India has bought 100 of the Sukhoi SU-7B strike fighters at a cost of over $100 million from USSR. The deliveries began in 1968, and are intended to equip four squadrons. India evidently has an option on another 100.

The IAF's bomber fleet consists of three Canberra squadrons, formed out of 66 aircraft purchased from the UK in 1958. Six replacements were bought later.

In non-combat strength, the IAF is credited with possessing two heavy transport squadrons equipped with the Soviet-built AN-12, three medium duty ones with C-119.

(**The Statesman,** New Delhi)

[Prev. ref. 7774:INI:H, 8269:INI:F]

K. Indian Science Congress: The 56th session of the Indian Science Congress, which concluded in Bombay on January 9, spotlighted application of science for raising agricultural production, stabilizing population and curbing student indiscipline.

About 2,000 scientists from upcountry and 100 from Bombay, who attended the Congress, profferred several solutions to the problems facing the country.

Of the 1800 papers presented at 13 sectional meetings of the Congress, nearly 1000 were on agriculture and botany, emphasizing the over-riding importance of agricul- in the economy. Of the remaining, the majority were on population explosion and student unrest, two other subjects of current interest. A number of symposia and special lectures also dealt with these subjects.

The section on Agricultural Sciences was of the opinion that sustained efforts to improve biological and agricultural education and research and extension were essential for solving India's food problem. The section also recommended the setting up of a national seed laboratory and similar laboratories at State level for providing the farmers with better seeds.

Prof. A. C. Joshi, General President of the Congress, was of the opinion that India would be needing 150 million tons of foodgrains by 1975, and 200 million tonnes by 1985. It was possible to achieve both these targets by extending the cultivation of high-yielding varieties already available in the country or likely to be available in the near future.

He said that the task before the scientists now was to explore the means of meeting the food requirements after 1985 and at the end of the century, for even with the full application of the known agricultural techniques the population was likely to outstrip even expanded food production.

The Psychology and Educational Science section which dealt with the problem of student indiscipline suggested several remedies. Among them were tackling student problems during adolescence, preparing a student for a suitable job, inculcating in him a sense of social responsibility, self-confidence and correct judgment, a healthy attitude towards sex and integration of his personality to develop the man in him.

The population problem was discussed by Physiology and Statistics sections separately. Both the sections felt that to check the growth of ever-increasing population, the primary requisite was education, particularly in biology. Subjects like human physiology and anthropology should be immediately taught in schools and colleges and elementary instructions should be given in the physiology of reproduction to every boy or girl from an early age. Suggestions were also made that the age of marriage for girls should be fixed at 20. Checking of inherited and abnormal diseases in women would also help reduce the population, it was stated.

The Forum of Science and Economic Development of the Congress was of the opinion that India's five Five-Year Plans should be resource-based and not need-based.

(**The Times of India,** Bombay and
The Hindu, Madras)

[Prev. ref. 8161:INI:L]

L. CPI (Marxist) Congress Session: The eighth Congress of the Communist Party of India (Marxist) began a week-long session in Cochin on December 23, 1968. About 500 delegates and observers attended.

The Congress mainly considered a draft political resolution, the political organizational report and amendments to the party constitution prepared by the Central Committee.

Addressing the delegates after hoisting the party flag, Mr. Muzaffar Ahmad said that the world communist movement was no longer being led by the Communist Party of the Soviet Union. The only symbol that kept the movement together today was the Red Flag.

The General Secretary, Mr. P. Sundarayya suggested a five-member Presidium consisting of Mr. B. T. Ranadive, Mr. Jyoti Basu, Mr. M. R. Venkataraman, Mrs. Godavari Parulekar and Mrs. Sushila Gopalan to conduct the proceedings of the Congress.

Two resolutions paying homage to those who had died in the cause of the communist movement, moved by Mr. B. T. Ranadive, were adopted by the Congress.

Mr. Mao Tse-tung's pictures were conspicuous by their absence at the Congress.

Resolutions:

In a resolution adopted on December 25, 1968, the party expressed its "deep concern" at the "attempts of the Government of India to disrupt the working class and democratic movement by fostering communalism, casteism and provincialism" and called upon the working people and democratic forces to "fight back and defeat these disruptive attempts" of the ruling classes and parties like the Jana Sangh. "The defence or protection of religious, linguistic or socially oppressed minorities is one of the basic tests of democracy and our struggle for real democracy will always remain incomplete unless these minorities are assured of full protection."

Another resolution demanded a change in the Government's Viet-Nam policies, including complete stoppage of all trade with South Viet-Nam and re-establishment of trade relations with North Viet-Nam.

The resolution contained a significant paragraph: "The Viet-Nam struggle affords some lessons for the entire working class and revolutionary movement of the world. In fact, the CPI (M) sees the Viet-Nam war as the vanguard of the national liberation movement, the battle in defence of freedom everywhere."

A resolution on Kerala adopted by the Congress said that the Government of India's efforts "at discrediting and attacking the United Front Government (of Kerala) in general and its CPI(M) constituent in particular, have reached a new dangerous stage", and accused the Centre of "misuse" of authority "and its creatures, like the Governor and All-India Services" of assumption of more powers—thus making further inroads into the powers of State Governments, trying to create disorder in Kerala "as evidenced by the notorious call given by the Central Law Minister for collective resistance" and of seeking the support of Hindu communal elements, like the Jana Sangh, in its efforts to topple the Kerala Ministry. It said the Congress leaders in Kerala as well as Central Ministers were "making clever use of the activities of the so-called extremists" who have been "indulging in wild talk of organizing an armed struggle in the name of the thought of Mao Tse-tung". The resolution particularly named Mr. Morarji Desai and Mr. Chavan for trying to put the responsibility for these "Naxalite" activities on the CPI(M).

In a resolution on the mid-term elections, the Congress voiced its opposition to what it called the "opportunistic alliances" and "unprincipled coalition with reactionary parties" coming up in the forthcoming mid-term poll in West Bengal, Bihar, Uttar Pradesh and Punjab.

It said that the 20-month experience after the General Election had proved that such alliances gradually yielded ground to the Congress and led "to frustration of the democratic aspirations of the masses."

In another resolution on "repression and attack on the CPI(M)", it said that the "campaign" started by the Deputy Prime Minister, Mr. Morarji Desai, and the Congress President, Mr. S. Nijalingappa, was aimed at preparing the ground for the "suppression" of the CPI(M).

It added that parties, such as the Swatantra and the Jana Sangh, openly demanded ban on the Marxist Party, and that there was a systematic build-up "in the Press of the bourgeoisie" against the party of alleged secret plans to create an atmosphere for launching another attack.

The Congress vehemently condemned the "heinous crimes and murders" of freedom fighters by the racialist and illegal Ian Smith **regime** in Rhodesia.

Office-bearers Elected:

The Congress ended on December 29, 1968. Mr. P. Sundarayya was unanimously re-elected as General Secretary of the Communist Party of India (Marxist) for a second term.

The Central Committee, with some minor changes from the out-going Central Committee, was elected.

The Central Committee also approved the re-election of the existing nine-member Politburo for another term.

Politburo Members:

The members of the Politburo are: Mr. P. Sundarayya, Mr. P. Ramamurti, Mr. E.M.S. Namboodiripad, Mr. A. K. Gopalan, Mr. B. T. Ranadive, Mr. Jyoti Basu, Mr. Promod Das Gupta, Mr. M. Basavapunniah and Mr. Harkishen Singh Surjit.

The Congress dropped five members from the existing 31-member Central Committee and added two new names.

The new entrants were Mr. Rama Das, working Editor of the party organ, "People's Democracy", and Mr. Desraj Cheddah, who is in charge of the Central Committee office.

Those dropped were: Mr. Dinkar Mehta (Gujarat), Mr. N. L. Upadhyaya (Mysore), Mr. Vanamali Das (Orissa), Mr. Jagjit Singh Lyalpuri (Punjab) and Mr. Sankarayya (Tamil Nadu).

The following are the members of the Central Committee: Mr. Muzaffar Ahmed, Mr. P. Sundarayya, Mr. P. Ramamurthi, Mr. M.R. Venkataraman, Mr. E. M. S. Namboodiripad, Mr. A. K. Gopalan, Mr. B. T. Ranadive, Mr. C. H. Kanaran, Mr. E. K. Nayanar, Mr. A. Balasubramaniam, Mr. Hanumanta Rao, Mr. Prasad Rao, Mr. S. Y. Kolhatkar, Mrs. Godavari Parulekar, Mr. Mohan Poonamia, Mr. Harkishen Singh Surjit, Mr. Satwant Singh, Mr. Sankar Dayal Tiwari, Mr. S. S. Srivastava, Mr. Hare Krishna Konar, Mr. Ajinta Bhattacharya, Mr. Samar Mukerjee, Mr. Dasrath Deb, Mr. Ram Das and Mr. D. R. Cheddah.

(**The Hindu**, Madras and **The Statesman**, Calcutta)

[Prev. ref. 8373:INI:E, 8508:INI:B]

M. **Third Communist Party Formed By Naxalite Leaders:** It was disclosed in Calcutta on January 5 that a Third Communist Party drawing inspiration from the thought of Mr. Mao Tse-tung and accepting unreservedly the leadership of the Communist Party of China had for all practical purposes started functioning in the country.

Its activities were being guided by the All-India Co-ordination Committee of Communist Revolutionaries set up about a year ago by some Naxalite leaders. Its main theoretician was Mr. Charu Mazumdar, who was the main theoretician of the Naxalbari movement also.

The formation of a third Communist Party had been delayed because of aversion to the bourgeois method of forming parties from the top. It wanted the party to grow up from the base through revolutionary struggles. The Committee now felt that in the last one year the Naxalite movement had spread sufficiently to warrant the formation of a party to guide and co-ordinate the activities of communist revolutionaries in different States.

Another consideration that was weighing with the Committee in this connexion was the imminence of the Chinese Communist Party Congress. It was presumed that after the Congress, China would take the initiative in reviving the Second International. The Maoist Communist Party had to be formed before that.

The Committee claims to have adherents now in almost all States. State co-ordination committees had been set up in, among others, *Assam, Andhra, Bihar, Uttar Pradesh, Punjab,* Madras and West Bengal.

Among the areas where communist revolutionaries were said to be active now were Naxalbari and parts of Midnapore and 24-Parganas district in West Bengal, Srikakulam in Andhra Pradesh, Kushahari in Bihar, Lakhimpur in Uttar Pradesh and certain parts of Punjab. In all these areas Communist revolutionaries were organizing the peasants for an armed uprising.

Pro-Mao Posters In Jammu:

It was disclosed in Srinagar on January 8 that the recent appearance of pro-Mao posters in Jammu city had given the Kashmir Government cause for worry.

The Naxalites, whose leaders are working underground, had been making their presence felt for the last two years by organizing agitations by low-paid Government employees, refugees and students in Jammu.

Jammu Sandesh, an Urdu mouthpiece formerly of the Left Communists and now of the Naxalites in Jammu, is opposed to the parliamentary system of democracy and ridicules non-violent tactics and peaceful protests as a means of achieving political objectives. In this connexion, it criticised the Left Communists for supporting the "atrocities" of Naxalites in West Bengal and Kerala.

Praising China for being "the centre of world revolution," the journal said that Stalinism was a "shining example of the continuous fight against revisionism."

In India, it pointed out, "revolution will be brought neither by Mr. Sundarayya, who sent some letters from Moscow through Mr. Bhupesh Gupta, nor by Mr. Harkishen Singh Surjit who begged his release of the Punjab Chief Minister during the Indo-Pakistani war in 1965, nor by Mr. Ranadive and Mr. Basavapunniah, who stabbed Telengana in the back, nor by Mr. Jyoti Basu and Mr. Namboodiripad, who employed Government machinery to crush revolutionaries."

Defending the appearance of pro-Mao posters in Jammu, the journal reminded its readers that the "great cultural revolution" in China began with a poster by a young Chinese woman.

The activities of the Naxalites were confined to Jammu city and some border areas of the region. They had made little impact in the Valley so far.

The Naxalite movement was being led and directed by Mr. Ram Piara Saraf, a former member of the Kashmir Constituent Assembly and the State Legislative Assembly. Mr. Saraf went underground over two years ago.

(The Times of India, New Delhi)

[Prev. ref. 8685:INI:E]

N. **Extremist Communists To Unite In Kerala:** Mr. K. R. Gopalan, a communist extremist in Kerala, said in Kozhikode on January 1 that different groups of extremist communists functioning in Kerala had decided to unite themselves into a "united revolutionary communist party."

Mr. Gopalan said that at Cochin, the Marxists had banished even photographs of Mr. Mao Tse-tung and slogans relating to him from the Congress. "This shows they have given up communism."

When a correspondent asked whether a "National Communist Party" on the lines of the Yugoslav Communist Party could not be formed in India, Mr. Gopalan said there could be no communist movement without internationalism. "The very talk of a national communist party is un-communist." The programmes and policies of the Marxist Communist Party were formulated to suit the whims and fancies of the United Front Government in Kerala. But the State Government was not a real people's Government. It would soon be confronted with a series of "struggles" on social and economic issues.

Mr. E.M.S. Namboodiripad Criticises Naxalites:

The Kerala Chief Minister, Mr. E.M.S. Namboodiripad on January 12 lashed out at the Naxalites who, he said, styled themselves as revolutionaries but were raising the slogan to boycott elections only to sabotage the real revolutionary and democratic movement in the country.

Addressing a United Front election meeting in Calcutta, he said: "We are fighting the mid-term elections in West Bengal to defeat the Congress, for we know the more the Congress is crippled the more the real revolutionary and democratic movement in the country will take shape.

"Who else but the Congress will be happy if we withdraw from the elections or even from the Kerala Government where we are still in existence despite stiff opposition from the Central Congress Government? This fact itself would expose the self-styled revolutionaries and the anti-revolutionary cause they are serving by their slogan of poll boycott".

Replying to the charge that the United Front with heterogeneous parties could not provide a stable Government, he pointed out that after the 1967 elections, when non-Congress Governments were formed in many States, the first to fall was the Congress Government in Haryana. The Congress had proved its instability as well as "corruption".

(The Statesman, Calcutta
and **The Hindu,** Madras)

[Prev. ref. 8684:INI:E]

O. **Naxalite Activities In Kerala, Bihar And Andhra Pradesh—Jana Sangh Proposes Inquiry Committee:** The Jana Sangh Working Committee, which began a two-day session in New Delhi on December 15, 1968, called upon the Centre to set up a high-power committee to inquire into the recent Naxalite activities in Kerala, Bihar and Andhra Pradesh.

It was of the view that the Communist Party (Marxist) had a definite hand in the Kerala incidents.

After considering a report prepared by a five-member team of its Kerala unit on the Pulpalli and Tellicherry incidents, the Committee said that only a high-level probe would reveal the facts of the situation.

Dacoities In Andhra Pradesh:

About 1,000 Girijans, described as communist revolutionaries, armed with guns and other deadly weapons, committed three dacoities and exchanged fire with the police in Mondemkhal village in the disturbed region of Srikakulam district in Andhra Pradesh on December 27, 1968.

There were no casualties. The tribals later retreated to the hills.

The dacoits raided two shops and a house and carried away valuables worth over Rs. 20,000. Seeing the Girijans attack, three policemen attached to a small outpost there challenged the dacoits, resulting in an exchange of fire.

This was the fifth incident in the disturbed tribal area of Srikakulam during the last one month. Following a series of similar incidents in 1967, the Andhra Pradesh Government took a number of measures including the opening of new outposts, strengthening the existing ones and economic measures to improve the lot of the downtrodden Girijans inhabiting the hilly tracts of the region.

The Girijan uprising was attributed to Marxist Communists fomenting trouble by instigating agricultural labour to revolt against landlords, a majority of whom hailing from the plains had settled there.

(**The Hindu,** Madras)

[Prev. ref. 8684:INI:E]

P. **Dissatisfaction Over Centre-State Relations—Three Chief Ministers' Views:** In separate interviews on January 5, dissatisfaction over Centre-State relations was voiced by the Andhra Chief Minister, Mr. Brahmananda Reddy, the Orissa Chief Minister, Mr. R. N. Singhdeo, and Kerala's Chief Minister, Mr. E.M.S. Namboodiripad.

The three leaders gave differing analyses of the political trends during the past year. All three, however, were critical of the Centre on one score or another.

Mr. Singhdeo said that the federal system had "worked fairly well, but there is need for some changes to ensure more harmonious relations between the Centre and States."

Mr. Reddy said that the present set-up was "more unitary than federal" and wanted modifications to ensure "real federalism."

Mr. Namboodiripad called for "a fresh approach to the federal system enshrined in the Constitution."

None of the Chief Ministers, however, elaborated the modifications desired by them.

Attitude To Fourth Plan:

The Chief Ministers' attitude to the Fourth Plan revealed sharp differences.

Mr. Singhdeo said that the Centre and States would not be able to raise the required additional resources without imposing fresh burdens on the common man. He indicated that Orissa might issue rural debentures, raise electricity rates and increase forest and excise revenue to find funds for the Plan.

Mr. Brahmananda Reddy claimed that resources could be found, but added a rider: there should be a "proper" plan. He made a cryptic reference to "ways of raising resources without resort to direct taxation."

Mr. Namboodiripad declined to go into this issue, re-affirming his view that there could be no solution to current difficulties "within the frame-work of present policies."

(**The Times of India,** New Delhi)

[Prev. ref. 8270:INI:G, 8459:INI:H]

Q. **Lawlessness In Kerala—Mr. S. Nijalingappa's View On Central Intervention:** The Congress President, Mr. S. Nijalingappa, said in Trivandrum on January 5 that if what he heard about illegal actions and lawlessness in Kerala was true, "we are very near Central intervention in Kerala."

He said he could not order the Centre as a dictator in this matter, but was only expressing his view. He was greatly concerned about the happenings in Kerala. There were only three solutions to the Kerala problem. Either the Government should be wise and take measures to put an end to lawless acts, as attacks against personal property were against the Constitution and established law. If the Government did not mend its ways, people should agitate for ending the Government. The third course was Central intervention.

He had been told that some other parties in the United Front who respected the Constitution and believed in fundamental rights were protesting against the present state of affairs. He had been told that the Right Communist Party and the SSP had protested against these things. The Right Communists were good people and they had their roots in democracy. If they really believed in democracy it was for these parties to cease to support the Government.

He said that he would request all parties believing in democracy to think how they could put an end to the menace of the Marxists in India.

He added that the Kerala Government must stay its hand regarding the formation of the Muslim majority Malappuram district for some time for more than one reason. Many Muslims had told him that the new district would not be in their interest and they were unhappy about it.

(**The Hindu,** Madras)

[Prev. ref. 8685:INI:E]

R. **Dissolution Of State Assembly—Governor Bound To Accept Chief Minister's Recommendation:** The Central Home Minister, Mr. Y. B. Chavan re-iterated in the Lok Sabha on December 16, 1968 his view that if a Chief Minister recommended the dissolution of the State Assembly, the Governor was bound to accept it.

That was the constitutional position and it was his view too. He was replying to agitated Opposition members who had questioned the propriety of Home Ministry officials contending that the Haryana Governor was obliged to dissolve the Assembly if the Chief Minister so advised.

Mr. Chavan saw nothing wrong if that was the inference drawn from his earlier statement on the floor of the House regarding the role of the Governor. Denying the charge that the Home Ministry spokesman—as alleged in the call-attention motion tabled by Mr. Atal Behari Vajpayee and others—had conveyed the "view" to newspapers and radio, Mr. Chavan said even if that was so it at best constituted interpretation of his known views on the constitutional position.

Mr. Chavan saw no role at all for the Central Government or the Cabinet **vis-a-vis** the political developments in Haryana. The Governor was in command of the situation and apparently he was not convinced that the Chief Minister had lost his majority. The Centre had no occasion to take a position in this regard and "what a Governor should do in such a situation is no business of the Government."

(**The Statesman,** New Delhi)

[Prev. ref. 8115:INI:T]

S. **SVD Ministry In Madhya Pradesh Re-constituted:** The Samyukta Vidhayak Dal Ministry in Madhya Pradesh was re-constituted on January 1 with the inclusion of 15 of the 20 defecting Ministers, who had resigned en masse two months earlier, and two new entrants.

The oaths of office and secrecy were administered by the Governor, Mr. K. C. Reddy, at a brief ceremony at Raj Bhavan. It was the 10th swearing-in ceremony since the SVD Ministry assumed office in July, 1967.

The strength of the Ministry now is 32 against 36 before the November, 1968 shake-up. Three former Ministers of State were elevated to Cabinet rank and three former Deputy Ministers were promoted as Ministers of State.

Significantly, at least three former Ministers, against whom the Jana Sangh and Rajmata groups had launched a tirade on grounds of corruption and anti-SVD activity, came back. One of them was promoted to Cabinet rank.

The following are the members of the Cabinet with their portfolios:

Cabinet Ministers:

Mr. G. N. Singh (Chief Minister) —General Administration, Public Health, Education, Forests, Industries, Languages and Archaeology, Separate Revenue and Registration;

Mr. V. K. Saklecha (Deputy Chief Minister)—Home;

Mr. Gopal Sharan Singh—Food and Civil Supplies;

Dr. R. C. Rai—Local Government (Urban);

Mr. N. P. Srivastava—Law and Rehabilitation;

Mr. Brijlal Verma—Planning and Development and Economics and Statistics;

Mr. Dharampal Singh Gupta—Information and Publicity;

Mr. Laxminarayan Gupta—Revenue;

Mr. Arif Beg—Co-operation;

Mr. Narendra Singh Deo—Agriculture;

Mr. Mahendra Singh Kiledar—Natural Resources;

Mr. Shashi Bhushan Singh—Public Works Department and Housing;

Mr. Fateh Bhanu Singh—Local Government (Rural);

Mr. Dhannalal Choudhary—Harijan Welfare and Jails;

Mr. Ramcharan Singh Deo—Irrigation;

Mr. V. S. Pradhan—Finance; and

Mr. G. D. Khandelwal—Electricity.

Ministers of State:

Mr. Netram Dube — Public Health;

Mr. Prem Singh—Education;

Mr. Bisweshwar Prasad—Forests;

Mr. Devilal Sharma—Commerce and Industries;

Mr. Prataplal Bisen—Co-operation;

Mr. Manharlal Pande—Electricity;

Mr. Parasuram Sahu—Finance;

Mr. Larang Sai—Tribal Welfare; and

Mr. Virendra Singh—Labour and Tourism.

Deputy Ministers:

Mr. Drigpal Shah—Languages and Archaeology;

Mrs. Ashalata Yadav—Harijan, Commerce and Industries;

Mr. Gangaram Jatav—Revenue;

Mr. Badrinath Jaidev—Public Works; and

Mr. Bhagirath Bhavar—Tribal Welfare.

(**The Statesman** and **The Times of India**, New Delhi)
[Prev. ref. 8582:INI:J, 8676:INI:Q]

T. Feasibility Survey For Raxaul-Hetauda Railway — Indo-Nepal Talks: Among the decisions taken at the Indo-Nepalese official level talks in New Delhi on December 26, 1968 were that India agreed to undertake a feasibility survey for the construction of a 60-kilometre-long broad-gauge railway from Raxaul to Hetauda in Nepal.

The survey is expected to begin during the working season commencing some time next October and will last six to seven months.

The railway at Raxaul on the Indian side is at present of metre-gauge, while there is a narrow-gauge line from Raxaul to Amlekganj which is close to Hetauda. The proposed Raxaul-Hetauda line will traverse mountainous territory, requiring tunnelling and bridging.

The two sides discussed in some detail the contruction of the Chhatra canals in eastern Nepal which will irrigate about 200,000 acres of land in that country. The canals, which draw water from the Kosi, are expected to yield water from June next.

The east-west highway in Nepal, the major part of which—420 miles, out of a total of 630 miles—is being built with Indian co-operation, came in for review. According to the present time-table, about 170 miles out of the 420 miles will be ready by 1971. India will then take up the construction of the central sector, followed by the western sector during two five-year periods.

The two sides also discussed a long-term programme of soil conservation in the catchment area of the Kosi river to combat silting in the canals and the river.

Industrial collaboration, both in the private and public sectors, came up for consideration, and the question of establishing a Joint Economic Co-operation Committee—such as the one existing between India and Ceylon—was discussed.

The Indian side referred to the Bagmati embankments, the construction of which would check flooding, particularly in India. The embankments will be on Nepalese territory —about 10 miles long adjoining Bihar.

(**The Times of India**, New Delhi)
[Prev. ref. 8166:NEP:B]

U. Mr. K. Kamaraj Wins By-election In Madras: The former Congress President, Mr. K. Kamaraj, on January 9 won the Nagercoil Parliamentary by-election by 128,201 votes over his nearest rival, Dr. M. Mathias of the Swatantra, backed by the DMK.

Mr. Kamaraj polled 249,437 votes, Dr. Mathias 121,236 and the Marxist candidate, Mr. M. M. Ali, 20,926. Mr. Ali forfeited his deposit. There were four more Independents in the field.

The results showed that Mr. Kamaraj was able to sway the majority of his Nadar community (constituting about 260,000 in a total electorate of 505,000) to his side. There was also a last-minute swing of Marxist votes to Mr. Kamaraj. In fact, the Marxists, well aware that they stood little chance of victory, appeared to have urged the people to vote for the Congress rather than for Dr. Mathias.

The decisive victory of the Congress leader came as a blow to the DMK, particularly the Public Works Minister, Mr. M. Karunanidhi who had spared no efforts to organize an effective campaign to defeat him. Another factor contributing to Mr. Kamaraj's victory was his sustained and systematic campaigning, including door-to-door canvassing. In fact, Mr. Kamaraj had camped in Nagercoil for the past four weeks and had toured the constituency more than once.

For the Swatantra candidate, Dr. Mathias, the results were a serious blow. He had secured 128,000 votes in 1967 against 180,000 by the victorious Congress candidate, the late Mr. A. Nesamoni. This time, despite a determined campaign, he had not been able to secure as many votes.

The following were the voting figures:

Total electorate	505,445
Votes polled:	401,600
Mr. Kamaraj (C)	249,437
Dr. M. Mathias (Ind)	121,236
Mr. M. M. Ali (CPI-M)	20,926
Mr. P. Vivekanada (Ind)	1,391
Mr. Duraiswamy Nadar (Ind)	3,850
Mr. S. Rajagopalachari (Ind)	533
Mr. Anganna Chettiar (Ind)	168
Invalid votes	4,059

(The **Hindu**, Madras and **The Statesman**, New Delhi)

V. Governor's Address To Mysore Legislature: Addressing a joint session of the Mysore Legislature in Bangalore on January 13, the State Governor, Mr. G. S. Pathak, deplored that no decision had been taken so far by the Central Government on the recommendations of the Mahajan Commission on the Mysore-Maharashtra border issue.

He said that the State Government and the Legislature had been pressing the Central Government to accept the findings of the Commission.

Referring to agriculture, he said that the cumulative result of a number of short-term and long-term measures taken by the State Government was that a breakthrough in agricultural production was possible in spite of delayed rain in certain parts of the State. He was happy that the response of the farmer to high-yielding varieties of seeds was enthusiastic. A team of Central officials had toured the State to assess damage caused by drought and Central assistance of Rs. 5,13,00,000 had so far been received; further assistance had been asked for.

He said it was proposed to give high priority to the completion of schemes of irrigation and power projects and agricultural production. In other sectors, particularly social services, it was proposed to concentrate more on qualitative improvement rather than on mere expansion.

Before the Governor began his address, two Maharashtra Ekikaran Samithi members walked out of the House, protesting against the State not taking a definite stand on the Mysore-Maharashtra border issue.

(**The Hindu**, Madras)
[Prev. ref. 8240:INI:J]

W. Bonus Act Amended: The President issued an Ordinance on January 10 under Article 123 of the Constitution to amend the Payment of Bonus Act to increase the amount of available surplus for payment of bonus to employees.

Under the amendment, 60 per cent of the available surplus—67 per cent in the case of foreign companies—was allocable for payment of bonus.

The aim of the amendment was to clarify the amount of direct tax deductible from gross profits in computing the available surplus. The available surplus, according to the amended Section 5, would be so computed that the amount of tax rebate accruing to the employers on account of the bonus paid or payable under the Act became part of the available surplus of the succeeding year instead of going entirely to the employers.

The amendment was applicable to computation of the available surplus for the accounting year beginning on any data in 1968 and in respect of every subsequent accounting year.

Protest By Trade Bodies:

In identical telegrams, the Associated Chambers of Commerce and Industry and other trade bodies has requested the Prime Minister, Finance Minister and the Labour Minister not to proceed with the implementation of the Ordinance relating to the Bonus Act.

Similar opposition to the measure has been expressed by representatives of the Indian Chamber of Commerce when they met the Central Labour Minister, Mr. Jaisukhlal Hathi, in Calcutta on January 15.

Their main point was that by this Ordinance the Government had sought to deny the industry a rebate on tax for the purpose of rehabilitation, a principle which had been accepted even by the Bonus Commission and endorsed by a number of Labour Tribunals and other judicial pronouncements.

(**The Statesman,** Calcutta and **The Hindu**, Madras)
[Prev. ref. 7268:INI:L]

X. Madras State Re-named Tamil Nadu: On January 14, Madras State changed its name to Tamil Nadu.

The change in the State's name synchronised with Pongal, the harvest festival celebrated by Tamilians with rejoicing.

The Madras State (Alteration of Name) Act under which this change in name came into force was passed by the two Houses of Parliament recently and received the President's assent.

(**The Hindu**, Madras)
[Prev. ref. 8712:INI:Z]

Y. Increase In D.A. For Madras State Employees: The Madras Government announced on January 11 increased rates of dearness allowance to its employees with effect from January 1, bringing them on par with the Central Government employees.

The additional benefit, accruing only to employees drawing salaries of up to Rs. 543, ranged from Rs. 6 to Rs. 11. There would be no change in the D.A. in higher pay ranges.

The increase would apply to employees of local bodies and teachers in aided institutions.

The extra cost on account of the enhancement was estimated at approximately Rs. 3.6 crores in a full year and Rs. 60,00,000 for the remaining three months of the current year.

(**The Hindu**, Madras)
[Prev. ref. 8385:INI:C]

Z. D.A. Increased For Rajasthan State Employees: The Rajasthan Government announced in Jaipur on December 6, 1968 an increase in the dearness allowance of its employees equivalent to the recent increase in the Central Government employees' D.A.

The increase will be effective from September 1, 1968.

The increase followed acceptance by the State Government of the recommendations of the Gajendragadkar Commission.

The increase is confined to those who draw a basic salary of up to Rs. 543. There will be no change in the existing rate of D.A. for employees getting more than that amount.

The total burden following the D.A. increase on the State exchequer is expected to be about Rs one crore annually. About 200,000 employees will benefit.

(**The Statesman,** New Delhi)
[Prev. ref. 8165:INI:W]

IRAN

A. Majlis Passes Militia Bill: The Majlis (Parliament) on December 29, 1968 approved two important

Government Bills, including a War Ministry project, to establish a volunteer national militia.

The Militia Bill stipulated that individuals volunteering for a training course would have to be paid their salaries by their private or public employers.

Those who had completed their compulsory military training and who wished to become a member of the militia would be exempted from further training during the call-up of reserves. These volunteers would also remain members of the militia in times of general mobilization.

All Iranian men and women, at least 18 years old, would be eligible to volunteer for the national militia.

The second Bill approved by the Majlis dealt with punishment for those who employed children under 12 years old in carpet-weaving centres. Offenders would face a prison term of between six and 12 months and a fine of 5,000 rials or more for a first conviction under the proposed law.

A second conviction would entail a three-year sentence and a fine of 300,000 rials.

The Bill also stipulated that the Government would provide facilities within a year after Majlis approval to establish co-operatives for carpet weavers. The Government would also have to inform all weavers about their right under existing labour laws and social insurance schemes.

(**Kayhan International,** Tehran)

[Prev. ref. 8438:IRN:B]

B. Hoveida-Johnson Talks: The Prime Minister, Mr. Abbas Hoveida, visited Washington in the first week of December, 1968 when he held wide-ranging talks with President L. B. Johnson.

A Joint Statement issued by the White House on December 5 said their countries should give all possible support to the search for peace in West Asia, particularly to the UN special envoy, Mr. Gunnar Jarring.

The two leaders discussed the emerging situation in the Persian Gulf. They agreed that the stable and prosperous future of that area could best be assured through the co-operation of the Powers bordering the Gulf.

On future co-operation between the United States and Iran, the Statement said, President Johnson and Mr. Hoveida reviewed the progress of their countries' co-operation in the civil uses of atomic energy for the study and exploitation of Iran's water resources and co-operation in scientific and technological exchanges.

They agreed also that private business could play an important role in strengthening the ties between the two nations.

Mr. Hoveida spoke of Iran's determination to sustain an adequate modern defence force to ensure national security. and Mr. Johnson expressed the desire of the United States to continue to co-operate with Iran to this end.

(The New York Times)

[Prev. ref. 8403:IRN:A]

C. Oil Supply To Czechoslovakia: Official sources in Tehran confirmed on December 6, 1968 that Iran would export crude oil to Czechoslovakia in return for a $200 million credit extended by that country.

The Under-Secretary, Mr. Sadat Tehrani, initialled the Credit Agreement along with two other Trade Agreements in Prague a week earlier.

Under the terms of these Agreements, Iran will export $13 million worth of industrial goods to Czechoslovakia in the next five years.

The oil Agreement has to be ratified by the two Governments. The other two Agreements—a trade and technical co-operation and a payments Agreement—will automatically become effective as soon as the current Agreements expire.

(**Dawn,** Karachi)

[Prev. ref. 8403:IRN:C]

PHILIPPINES

A. President F. Marcos On Relations With USA: In an interview on December 20, 1968 concerning the recent statements he had made about possible relations with Communist countries, President Ferdinand Marcos said the emphasis he had given to an independent foreign policy did not indicate any resentment or reaction against USA.

A month earlier, he had referred to the "perhaps inevitable withdrawal of American power" from Asia and the need for Asian nations to establish the foundations of a relationship with China.

He emphasized that his statement of a month before was not intended as a reflection against the United States or against former Philippine Presidents. He said: "I only state the fact that we are an independent country and should have an independent foreign policy."

He predicted continued friendship and co-operation between the Philippines and USA as the non-communist countries of Asia needed an American protective shield until UN could provide for their security. He could visualize no alternative in the next 10 years to the existing mutual defence alliance between the Philippines and USA, including the American use of bases in the islands, whether the two countries liked this or not.

The Philippines was considering developing trade outlets for coconut oil and other tropical products in European communist countries. Such exports were badly needed to help remedy an adverse balance of payments.

Citing a recent arrangement to export 500 tons of coconut oil to Bulgaria "experimentally", he said such deals were not made because the Philippines was inclined to the Left, but because of the need of diversify markets.

Later, on January 2, the new Foreign Secretary, Mr. Carlos P. Romulo, in taking over office from Mr. Narciso Ramos, said the Philippines would seek to avoid dependence on any one country, including USA and Japan, strengthening of ties with Asian and Polynesian countries and, in time, learn to relate itself with China and other socialist Asian countries.

(The New York Times)

[Prev. ref. 7668:PHI:B, 7753:PHI:A]

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ISRAEL

A. West Asian Fighting—Soviet Peace Plan—US Offer Of Phantoms —French Embargo On Arms: This batch of events in West Asia includes not only the fighting, sporadic as it continues to be, but also the Russian Peace Plan (which UAR and Jordan have accepted but Israel rejected), US offer of Phantom aircraft to Israel and French embargo on arms supplies to Israel.

Sporadic Fighting:

On December 27, 1968, Jordanian and Israeli forces exchanged fire for about an hour in the King Hussein (formerly Allenby) bridge area. There were no Jordanian casualties. A Jordanian official accused the Israelis of starting the clash, in which machine-guns and light arms were used. Jordanian troops returned the fire and the spokesman said the Israelis were seen removing two casualties.

The Israeli Army authorities announced that Israeli and Jordanian artillery battled over the cease-fire line on December 29, 1968.

Two Israeli jets swept low over Beirut's wreckage-covered international airport on December 29, 1968. There was no firing but the jets threw the airport into panic. A BOAC airliner had left minutes earlier and passengers were checking in for Pan-American and KLM flights.

According to Tel Aviv sources, Arab guerrilla bands struck during the night of December 30 at civilian targets in the two extremities of Israel—one in the north near the Lebanese border and the second in the south, just north of El Eilath, near the Jordanian lines. There were no casualties in either case.

On December 31, 1968, three Israelis were killed when Katyusha rockets, fired from Lebanese territory, hit the northern Galilee town. Two of them were killed directly by the rocket explosion, while the third died of fright.

A second salvo of Russian-made rockets supplied increasingly to Arab commandos—mounted on Russian trucks—also hit the plantation areas of the nearby Margaliot farming co-operative village. There were no casualties, though damage was caused.

The third village, Kfar Yuval, sustained damage from a bazooka attack mounted on December 30, 1968 by an El Fatah gang, which reportedly infiltrated from Lebanon.

On January 1, 1969, according to Amman sources, members of the public security force were killed and two others slightly wounded when Israeli aircraft machine-gunned a security vehicle in Wadi Arabia in Southern Jordan. Two Israeli helicopters again flew over the Wadi Akaba area at a high altitude, escorted by a Mystere jet fighter.

According to **Cairo Radio,** Egyptian and Israeli forces exchanged light machine-gun fire for 35 minutes in the Suez Canal area south of Ismailia, on January 2. There were no casualties.

Eight Israeli **Mirage** jet fighters flew two raids over Jordan on January 2 using rockets and napalm bombs, a Jordanian military spokesman said in Amman.

In the first raid, he said, four jets fired rockets and dropped napalm bombs near the village of Manchiyeh in the northern part of the Jordan Valley. The air raid was preceded by an artillery barrage directed against a farm to the west of the village.

In the second raid, four other jets mounted a rocket attack near an irrigation dam at Glad, also in the northern sector of the valley.

In Tel Aviv, an Israeli Army **communique** said that the Israeli Air Force planes attacked El Fatah positions inside Jordan after these positions had fired on an Israeli patrol near the Bei Josef settlement in the Beisan Valley on the west bank of the Jordan.

Arab El Fatah volunteers, stationed on Lebanese territory, again attacked targets in Israel on January 2, using Russian-made 130-mm. Katyusha rockets. They hit the township of Kiryat Shmona and a nearby kibbutz village, Kfar Giladi. However, there were no casualties or serious damage.

On January 4, Israeli authorities blew up the Gaza homes of three members of the Palestine Liberation Organization accused of terrorism. Owners of the houses were arrested during December, 1968 along with 57 other suspects and were accused of laying mines, throwing hand grenades and blowing up small bridges in the Gaza Khan Yunis area. The houses blown up belonged to three leading members of the saboteur group.

On January 6, Jordanian and Israeli troops exchanged medium machine-gun fire across the Jordan River twice.

A Jordanian military spokesman said that the first exchange, which lasted 25 minutes took place in the Al-Baqoura area in the northern Jordan valley. The second outburst of firing occurred in the King Abdullah bridge area, north of the Dead Sea, for 20 minutes.

On January 11, Israeli war-planes flashed low across the Jordan River cease-fire line to pound Arab commando positions following an attack on an Israeli army vehicle.

Observers on the Israeli side of the border reported seeing flames and smoke from an abandoned Arab village, just across the border.

The action took place near Kibbutz Gesher, six miles from the Jordan River in the embattled Jordan valley.

It was the first time Israel had called in planes to hit Arab attackers since January 2.

On January 12, it was stated in Tel Aviv, Arab gunners on Lebanese territory fired mortar shells on an Israeli farm settlement on the Lebanese border in northern Galilee. The fire was returned. No casualty or damage was reported.

This was the first clash in the area since Katushya rockets were fired from Lebanon on the town of Kiryat Shmona on January 2.

Partial Mobilization In Israel Reported:

According to reports from Amman, Beirut and Damascus on January 15, Israel has ordered partial mobilization of her armed forces.

It was stated that there was large-scale movement of Israeli forces onto the western bank of the Jordan River stretching from Lake Tiberias to the Gulf of Aqaba. Israelis had also evacuated most civilians from the Suez Canal zone and have re-inforced El Qantara, overlooking Ismailia.

Both Jordan and Iraqi forces in Jordan were placed on alert as visible Israeli troop movements continued.

Mr. Y. Allon's Warning To Arab Countries:

The Israeli Deputy Prime Minister, Mr. Yigal Allon, warned Arab countries, including Lebanon, at a mass rally at Kiryat Shmoneh on January 4 that if they did not honour the Cease-fire Agreement, "there will be no alternative but to resort to punitive measures which will make Arab aggression too costly".

He said: "We will not allow the Arab countries to flinch from their responsibility for acts of terrorism. They have made themselves responsible by allowing the saboteurs to use their territory for training purposes".

He added that Lebanon must expel Arab guerrillas from its soil if it wanted peace. "If Lebanon will keep the border quiet, we will not touch a hair on the head of one Lebanese. But if they will not, Israel will have no choice but to punish them".

He dubbed the UN Security Council "the Insecurity Council" because "it is always against Israel while the Arab countries were protected by the Soviet Union with its veto." "I refuse to receive the last Security Council decision because it is irresponsible in the minds of the whole world".

Soviet Proposals For Settlement Rejected:

The Israeli Foreign Minister, Mr. Abba Eban, told the Cabinet on January 5 that Israel had rejected the latest Soviet proposals to USA and Britain for a West Asian settlement.

He said that Israel had informed USA and Britain that the proposals could not serve "as a basis for a frame-work for discussion" for the following reasons:

"They demand total withdrawal of Israeli troops from Arab land occupied in the 1967 West Asian war, without the establishment of peace.

"There is no reference to Israel's demand that Arab-Israel relations be put on a contractual basis.

"The proposals do not guarantee Israeli shipping through international waterways."

Earlier, on December 25, 1968 in the Knesset, Mr. Abba Eban confirmed reports that Soviet diplomats were in contact with Israeli representatives, seeking a solution of the West Asian dispute. The USSR, he said, had clarified its views on the situation in this region during the contacts.

Replying to another question, he said the Soviet Union had made no effort, however, to renew diplomatic relations with Israel, nor had there been any feelers indicating any such intention.

Mr. Eban stressed, however, that there was no possibility of peace nor change in the **status quo** except through an agreed peace accepted by all countries concerned, including Israel.

Soviet Proposals:

The Soviet proposal, mooted by the Foreign Minister, Mr. Andrei Gromyko, to the "Big Four" leaders following his talks with President Nasser ten days earlier called for a phased-out settlement, within the ambit of the UN resolution of November 22, 1967.

The following are said to be the highlights of the Soviet proposals:

(1) As soon as Israelis withdraw to the June 5, 1967 line, according to an agreed plan, Arabs will sign and register with Israel a pact of non-belligerency;

(2) The United Nations forces would be inducted into Sinai and Sharm El Sheikh as before the June, 1967 war with specified demilitarized zones;

(3) Initially, Israelis will withdraw 40 kilometres from the Suez Canal bank under the first stage when the authorities will begin work to clear the Canal for operation;

(4) As soon as Israelis withdraw to the June, 1967 frontier, the Big Four Powers will, through the Security Council, guarantee those frontiers subject to border adjustments mutually agreed between Israel and its Arab neighbours through the good offices of the United Nations envoy, Dr. Gunnar Jarring. Once the withdrawal has taken place, Dr. Jarring would be called upon to discuss with the parties all requirements specified in the November 22, 1967 resolution.

Jordan Accepts Soviet Peace Plan:

King Hussein of Jordan announced on January 13 that he accepted the Soviet peace plan for West Asia.

King Hussein's acceptance followed that of President Nasser, but during the past few days, since the details of the Soviet proposal were made public the Palestinian commando organizations have gone on record as rejecting it unequivocally. They have done so over their official radio, broadcasting from Cairo as well as in several newspapers in Beirut which reflect their point of view. Other Beirut newspapers have also been critical, with one Right-wing journal making the valid point that the plan shows that Russia is not interested in the Palestine problem but only in the re-opening of the Suez Canal.

Thus, if ever the plan reaches the stage of implementation, then an armed clash, amounting to civil war, must take place between King Hussein's forces and those of the commandos in Jordan.

Israel has rejected the plan because, though it gives her a great deal over what she had in May, 1967, she does not think it leaves her with enough of what she conquered in June, 1967.

It is noteworthy that despite Israel's rejection, which was conveyed to Russia some weeks ago, the Russians have gone ahead with presenting the plan to the Arabs and the other Great Powers. This means that either Russia sees through the Israeli manoeuvre or that she believes that if Washington accepts the proposal, then USA can urge Israel to accept it too.

If America joins with Russia in trying to impose this plan, then there is the certainty that it will lead to violent splits within the Arab camp; it just might produce a split on the other side—between America and Israel. Whatever happens, Russia stands to gain, but not necessarily the cause of peace in West Asia.

US View On Soviet Plan:

In its diplomatic exchanges with the Soviet Union on the West Asian situation, USA is said to be taking the line that the Arab States should agree to the permanent demilitarization of the Sinai Peninsula, the Syrian Heights and the west bank of the Jordan following the Israeli withdrawal from the occupied Arab territories.

But the latest Soviet plan for a West Asian settlement provides for a token re-occupation of these territories by the armies of the respective Arab States and the return of the civil administration to re-affirm their territorial jurisdiction, before the two sides could enter into any substantive negotiations for the demilitarization of the evacuated areas as part of a general political settlement.

According to diplomatic reports from Washington, the two super-Powers have more or less agreed in principle that, recognizing the hard realities of the situation, the Arab States should end their state of belligerency and reconcile themselves to the existence of the Jewish State, before negotiating the terms of a Peace Treaty with Israel providing for not only an international guarantee of the frontiers of all States in the region, but also a fair and equitable settlement of the Palestine refugee problem.

US Phantom Aircraft Supplies:

The US State Department announced in Washington on December 27, 1968 the final agreement on a $200 million deal to provide 50 **Phantom** jet fighters to Israel. Delivery of the planes to Israel would begin before the end of 1969 and continue into 1970.

Completion of the negotiations, which President L. B. Johnson announced on October 9, 1968, was announced by Press Officer Robert McCloskey, who said: "Agreement to meet Israel's request for 50 F-4 aircraft has been reached. Delivery of the planes will begin before the end of 1969 and continue into 1970."

The basic policy covering completion of the agreement, he said, was to assist Israel in maintaining some degree of balance with the Arab States, particularly UAR, which had been re-armed by the Soviet Union since the Arab-Israeli war in June, 1967.

Satisfaction In Israel:

The Israeli Foreign Minister, Mr. Abba Eban, expressed "deep satisfaction" over the US State Department's green signal on the sales of 50 **Phantom** jet fighters to Israel. "This is a positive conclusion of an effort which began early in 1968 at the meeting between Mr. Levi Eshkol and President Johnson."

Mr. L. Eshkol Thanks Mr. L. B. Johnson:

The Israeli Prime Minister, Mr. Levi Eshkol, said in a radio broadcast on December 28, 1968 that massive Soviet arms supplies to the Arab countries would give them a quantitative military superiority, even after Israel took delivery of 50 **Phantom** supersonic bombers from USA and declared: "We must still make new and major arms purchases".

He expressed his gratitude to President L. B. Johnson who, he said, "kept the promise he made to me last January (1968) during my visit to him in Texas".

Gen. I. Rabin's Views:

On December 26, 1968, General Itzhak Rabin, Israel's Ambassador in Washington, said in Tel Aviv (on his return from USA) that the American decision to give 50 **Phantoms** to Israel resulted from policy formulated at the start of the year, aimed at maintaining a military equilibrium in West Asia.

General Rabin, who was Israel's Chief of Staff during the six-day war said it was impossible to predict the West Asia policy of the new American Administration of Mr. R. Nixon. "In the circumstances, any thaw between USA and Egypt can only have negative consequences for Israel".

Russian Criticism:

Tass said on December 28, 1968 that the US decision to send 50 **Phantom** supersonic bombers to Israel proved that USA was still encouraging the belligerency and extremism of Israeli leaders despite its claims to the contrary.

Without American support, it said, the Israelis would not have shown so openly their desire to keep the gains won by their "aggressions".

"By encouraging the Israeli Government to refuse to comply with the November 22, 1967 Security Council resolution on West Asia, USA assumes the grave responsibility for aggravating the unstable situation in that area."

Arab Reaction:

Meanwhile, Arab capitals denounced the sale of **Phantom** jets to Israel as a "severe blow" to prospects of an honourable peace settlement.

UAR official circles hoped the new US Administration under Mr. Richard Nixon would desist from carrying out the commitment made by the Johnson Administration, regarded by the Arabs as biased in favour of Israel.

French Ban On Arms To Israel:

On January 7, the French Government announced that it had imposed an embargo on all military supplies to Israel (see page).

The step was strongly received in West Asian capitals—warmly by Arab nations and bitterly by Israel.

The action was said to be in response to the Israeli commando attack on Beirut airport.

The French ban immediately affected some 150 million francs (£12.5 million) worth of equipment. About half the amount was represented by spare parts for Israel's French-made **Mirage** jets. (France had suspended sales of **Mirages** to Israel after the six-day war in 1967.)

The embargo came as a major blow to French aircraft and missile manufacturers who regarded Israel as one of their best clients.

A Foreign Ministry spokesman said in Paris on January 14 that France would not remain indifferent if the existence of Lebanon were threatened.

He was replying to newsmen who asked about foreign reports that France was prepared to go to the assistance of Lebanon in case of trouble. He replied: "I can confirm that if the existence of Lebanon is threatened, France will not remain indifferent in the name of friendship and in the name of equilibrium and peace."

The French Premier, Mr. Maurice Couve de Murville, said he was convinced that the recent French embargo on arms to Israel would not influence the likelihood of a four-Power understanding.

Questioned about the French embargo, Mr. Couve said that "from the moment that things start going really badly and it appears there is a strong danger of military operations resuming, it is perfectly legitimate to take precautions, if only against being associated with an extension of operations."

To journalists who replied that the French embargo was one-sided, Mr. Couve replied: "In fact, we are not delivering anything to the other countries."

Step Disapproved By French Senate Body:

On January 15, the Foreign Affairs Committee of the French Senate voted a motion calling for the French embargo on arms for Israel to be annulled.

Strong Reactions:

The Israeli Cabinet considered President de Gaulle's total ban on arms for their country and its implications on January 14 and decided against any fierce reaction in a bid to retain friendly relations with the French people.

The Commander of the Israeli Air Force, Gen. Mordecai, had briefed the Cabinet on how the embargo would affect his force of French-built **Mirage** and **Mystere** jets.

A Government spokesman said that the Foreign Minister, Mr. Abba Eban, summed up the present phase of Franco-Israeli relations as "a temporary **impasse.**"

Lebanon, Syria, Iraq, Kuwait, Algeria, Sudan and other Arab countries sent cables to President de Gaulle praising his decision to withhold shipment of arms to Israel.

The UAR Cabinet expressed its "deep appreciation" for President de Gaulle's embargo on arms supplies to Israel on January 12.

A spokesman said that the UAR Cabinet considered Gen. de Gaulle's decision "a stand restoring to world policy the spirit of the principles essential to a settlement of major world problems."

Representatives of 156 conservative Jewish organizations in the New York City area said on January 12 that they would use all their powers "to achieve effective reaction against French trade, commerce and travel" because of President de Gaulle's policy refusing arms to Israel.

The statement came from members of the United Synagogue of America, representing 250,000 people in the New York region.

Protesting against Gen. de Gaulle's embargo on shipment of military equipment to Israel, they said they planned to continue their reaction policy—presumably a boycott—until the embargo was lifted.

Mr. L. Eshkol's Criticism Of French Step:

The Israeli Prime Minister, Mr. Levi Eshkol described the arms embargo in Knesset (Parliament) on January 14 as "a particularly painful blow" and accused the French Government of following a double standard of morality.

He angrily rejected the official French assertion that Israel had adopted an aggressive attitude in the Spring of 1967.

From a purely commercial viewpoint the French total embargo "runs counter to all common usage. Agreements have been unilaterally and arbitrarily violated. Funds paid for goods which were not delivered have been frozen."

He compared the French statement, which explained its decision to impose the total embargo, to Soviet allegations against Israel in the days before the six-day war of June, 1967.

Soviet charges at that time about Israeli troop concentrations on Syria's border were described by Mr. Eshkol as "a figment of imagination which brought on large-scale Egyptian military concentrations and plunged the entire region into the abyss of war."

The French statement about "Israel's aggressive attitude" was a deliberate repetition of the Soviet "mendacious libel invented in May, 1967".

The French move, intended to weaken Israel's military ability, he said, could in fact undermine the prospects of peace in the region. Since the Arab countries were unwilling to make peace with Israel in the near future, Israel's "firmest guarantee for peace" was its capability to avert any military blow. If the armed forces were weakened, peace itself would suffer.

If the Arab nations believed they were able to hit Israel with impunity, the situation would swiftly escalate to an all-out Arab offensive.

Later, Mr. Eshkol wound up the debate with a warning to Lebanon against harbouring terrorists.

The Knesset passed with an overwhelming vote of 74 against one (an Arab communist delegate) the Government's policy.

Maj-Gen. M. Dayan's View:

The Israeli Defence Minister, Maj-Gen. Moshe Dayan, declared in Jerusalem on January 9 that Israel would overcome the French embargo on arms sales and said: "President de Gaulle's new policy won't make us accept things to which we are opposed."

The Director of Israel's Military Industries said that his factories were producing all equipment and weapons used by Israel's Air Force, which were imported from France until a few years ago. "We were not taken by surprise when France announced its total embargo."

Appeal To World Jewry:

Speaking at the closing session of a four-day conference of Jewish community leaders from 26 countries, the Israeli Premier, Mr. Levi Eshkol said: "Immigration and intensified Jewish education is the chief stay of world Jewry at this time."

The Deputy Prime Minister, Mr. Yigal Allon, told the conference: "Israel is determined to take nothing less than peace."

Stressing that temporary arrangements in the past have led only to additional wars, he said: "Israel would respect the Cease-fire Agreement on a mutual basis until it is replaced by a peace agreement."

An appeal to world opinion on behalf of three Iraqi Jews sentenced to death by a Baghdad military court has been issued by the Governing Council of the World Jewish Congress.

The Council President, Mr. Joachim Prinz, said in a statement: "We fear that the Iraqi Government will execute the three before we have time to summon world opinion."

He stated that the three Jews had been tried for alleged espionage for "Zionism, imperialism and Israel" and another 16 Jews were being held on similar charges. "This comes against a background of oppression of the 4,000 Jews still living in Iraq. Almost all of them had been living under house arrest since the June war of 1967, in violation of their human and civil rights."

He called the charges absurd since the Jews had been denied freedom of movement and communication for the past 19 months.

Arkon Operation In 1955 To Tiran Strait:

Israel revealed on January 14 that it began planning a scheme to capture the Tiran Strait as soon as Egypt first closed them to Israeli shipping 15 years ago.

The revelation came when the Israeli Army disclosed a daring mission deep in the Sinai desert in 1955, performed by a handful of Israeli soldiers who were evacuated in an improvised airlift by tiny Piper Cub planes after three days in the trackless wastes.

The Army said the aim of the six-man squad was to find a route for a land attack on the Strait. The attack was to have had no connexion with the 1956 Sinai campaign, in which the Strait was eventually captured. "One or two battalions would have occupied Sharm el Sheikh (commanding the Strait) but certainly not the entire Sinai Peninsula", said Mr. Asher Levi who led the 1955 mission and was then a Colonel. His present rank is not disclosed.

Mr. Levi told the following story at a news conference exclusively for Israeli journalists but which was later passed on to foreign correspondents:

The squad, in Israeli army uniform, sailed down the Gulf of Aqaba in a fishing boat from Eilat. Israel's Red Sea port, to Dahab, north of Sharm el Sheikh, where they went ashore in rubber dinghies and began trekking inland under cover of night. They were searching for a traversible link between the only two land routes between the Tiran Strait and Israeli territory. The three-day mission, from June 9 to June 12, 1955 was successful. The link was found and used by Israel's Ninth Brigade to reach the Strait in the French-British-Israeli invasion of Sinai months later. The only hitch came when Bedouins detected them in the Sinai and reported to the Egyptians. This forced them to change their plans at the last moment. This fact later was confirmed by documents captured in the Sinai campaign.

Remarkable flying of the six Piper Cubs—the bulk of the Israeli Air Force—saved them. The planes, flying low to avoid detection, landed on stony, uneven terrain. Each picked up one soldier and flew safely back to Israel. While in the desert, their only contact was a lone Dakota plane which sneaked over to their area daily to receive a report and parachute water.

The mission was carried out when the Chief of Staff was Maj-Gen. Moshe Dayan, now Defence Minister. The Brigade Commander who took charge of the operation was Haim Bar Lev, now the Army Chief of Staff.

The six men were cited for bravery shortly after the operation—code-named Arkon—was completed. But it remained one of Israel's best kept secrets for almost 14 years.

Since then, Egypt again closed the Strait to Israeli shipping. The move, in May, 1967, led to the six-day Middle East war.

The only remaining mystery was: Why had Israel suddenly decided to reveal the story? The six men said they simply did not know. "All I know is, I was told to get the story out and make it public", said Mr. Levi. "I don't know why".

(**The Statesman,** Calcutta, **The Times,** London, **The New York Times,** **Le Monde,** Paris, **The Hindu,** Madras and **The Hindustan Times,** New Delhi)

[Prev. ref. 8595:ISR:A, 8678:ISR:A, 8748:ISR:A]

KOREA (North)

A. Release Of "Pueblo" Crew: All 82 crew members of the American intelligence ship **Pueblo** were freed by North Korea on December 23, 1968 after they had spent 11 months in captivity.

[North Korean patrol vessels had captured the **Pueblo** off the east coast of Korea on January 23, 1968. **Pyongyang Radio** said the **Pueblo** was an American spy ship and that it was operating close to the coast is North Korean territorial waters. Four of the 83 crew members were injured when the ship was seized and one died of injuries. Since the capture of the ship, **Pyongyang Radio** had on several occasions broadcast "confessions" by its captain, Commander Lloyd Mark Bucher, and others of the crew stating that they had been captured while spying on North Korea.]

The release came after several rounds of talks and an American representative had signed a document admitting to the North Korean charges. But before signing it, he declared that the charges were false but that he was signing the document only to secure the release of the crew.

The North Koreans had brought the men in four busloads just before noon on December 23 at Pan Mun Jom. At 11.30 a.m. local time, Commander Bucher, accompanied by North Korean observers, walked slowly across the bridge of no return. He was followed by an ambulance bearing the coffin of a **Pueblo** engine-room worker, Duane Daniel Hodgess (21), killed during the **Pueblo** capture. The rest of the crew walked across one by one in reverse order of seniority.

The official North Korean news agency reported that Commander Bucher and his crew had sent a letter to the North Korean Government expressing profound thanks for being allowed to return to their families. The letter read: "We the commanding officer, officers, crew and civilian oceanographers of the **USS Pueblo,** humbly offer this note of thanks to the Government and people of the Democratic People's Republic of Korea to express our heartfelt thanks for generously forgiving our serious crimes against the Korean people to enable us to return to our families and for the humanitarian treatment afforded us during our detention here.

"We were criminals caught red-handed in the act of espionage, intruding deep into the territorial waters of the Democratic People's Republic of Korea on many occasions".

Terrorism Alleged By Comm. L. Bucher:

Commander Lloyd Bucher said later at a news conference in Seoul that he and his crew were subjected to a concentrated week of terror shortly before their release. "They were totally brutal", he said.

Commander Bucher, who denied that his ship had been closer than 14 miles to North Korean territory at any time, said many of his crew were in a bad physical condition from a nutritional standpoint, though their bruises should heal fairly quickly.

He repudiated the many confessions he and the men had made of being guilty of violating North Korean waters in their intelligence-gathering vessel. He said he had made the confessions to save his crew from beatings. He hoped the American people had understood that the language of the confessions was so extravagant as to be a sign to the world they were not serious.

(**The New York Times** and **The Times,** London)

[Prev. ref. 8608:KRN:A]

KOREA (South)

A. Increased US Military Aid Sought: The Foreign Minister, Mr. Choi Kyu-hah, said in Washington on December 5, 1968 that he had requested increased American military aid to fight alleged infiltration by North Koreans.

Mr. Choi, who was leading his country's observer delegation to UN, also expressed the hope that President-elect Richard Nixon would continue the "policy of support" for South Korea followed by the Democrat Administration.

US military aid to the Seoul **regime** in 1968 ran into a total of nearly $24 million, but the **regime** was still awaiting delivery of two squadrons of jet **Phantom F-4** fighters.

(**The New York Times**)

[Prev. ref. 8528:KRS:A]

NEPAL

A. King Mahendra Pardons 175 Nepali Congressmen: On January 10, King Mahendra granted pardon to 175 self-exiled Nepali Congressmen convicted **in absentia** since the royal take-over in December, 1960.

According to the Rashtriya Samachar Sangh, official news agency, they had committed crimes against the State. The royal pardon was granted in response to petitions submitted by the Nepali Congressmen requesting the authorities to permit them to return home. They had expressed their willingness to live peacefully in the country and abide by Nepal's Constitution.

The pardoned persons included Mr. Meghraj Upadhayaya, Mr. Balkrishna Shresta and Mr. Ramchandra Hamal.

Significantly, the list did not include prominent leaders like Mr. Bhadrakali Mishra and Mr. Bharat Shamsher. It also did not include persons belonging to other political parties. In all, 684 Nepali Congressmen were living in self-exile in India. Of these only 175 had been pardoned.

(**The Times of India,** New Delhi)

[Prev. ref. 8426:NEP:B]

PAKISTAN

A. More Disturbances Against Government: Border militia and armed police patrolled the streets of Rawalpindi on December 26, 1968 following violent demonstrations by students who vowed they would not stop until they had overthrown the Government of F-M. Mohammed Ayub Khan.

In Peshawar, more than a dozen pistol shots were fired into a crowd of stone-throwing youths trying to break up a Muslim League meeting. At least 12 persons were injured.

A group of 35 women began a march of 100 miles from Sargodha to Lahore on December 26, demanding Press freedom and repeal of "repressive" family laws. The women's procession was organized by the pro-Mao Tse-tung branch of the local Communist Party in defiance of a ban on assemblies of more than five persons. All planned celebrations for the birthday of Mohammad Ali Jinnah, founder of Pakistan, which coincides with Christmas Day (December 25) were cancelled owing to student action.

Defying the ban on processions, anti-Government and pro-Government forces staged demonstrations in half-a-dozen cities of West Pakistan on December 28, 1968.

Members of the Left-wing National Awami Party marched through the main streets on Nowshera, 78 miles north-west of Rawalpindi, in protest at arrests of political and student leaders. The marchers shouted slogans and carried placards, some calling for freedom of the Press.

In nearby Mardan, students staged a protest march through the town's bazaar.

On December 28, 1968, religious leaders and Opposition party workers staged protest marches in three towns as anti-Government unrest increased.

Police arrested 26 people in Peshawar in connexion with disturbances at a public meeting held by the ruling Muslim League Party on December 25, 1968. The arrests were in addition to 30 already made after youths disrupted the meeting and shots were fired in the air.

On January 4, about 60 veiled women marched through the streets of Peshawar carrying placards demanding the restoration of democracy and the release of political leaders. The women, supporters of the Right-wing Opposition party—Council of the Muslim League—were met by a group of students shouting slogans in support of the People's Party Chairman, Mr. Zulfikar Ali Bhutto.

In Lahore, also on January 4, doctors from two Government hospitals demonstrated to press their demand for increased salaries, upgrading of their status and the formation of an autonomous health service. Doctors in Karachi and Peshawar also staged demonstrations.

At least 24 people were injured in a clash on January 5 between rival groups in a procession led by Air Marshal Asghar Khan. The marchers threw stones and used bamboo sticks in the clash, which occurred at the mausoleum of Mr. M. A. Jinnah, founder of Pakistan.

Supporters of the Jamaat-e-Islami and Left-wing students joined by supporters of the People's Party of Mr. Bhutto, were involved in the clash, in which 11 people were arrested.

Five Rightist Opposition parties—grouped in the Pakistan Democratic Movement (PDM) — decided in Dacca on January 6 to boycott the Presidential elections and launch a direct action campaign for reform.

A resolution approved by the meeting also said that the PDM would demand an end to the State of Emergency imposed during the Indo-Pakistan war in 1965.

The Pakistan Democratic Movement staged a peaceful demonstration in Rawalpindi on January 6 to press their campaign for restoration of democracy in the country.

On January 9, eight Opposition parties, including the five PDM parties, jointly formed a Democratic Action Committee (DAC) in Dacca.

The acting President of the East Pakistan Awami League, Mr. Nazrul Islam said that the Committee had been formed with the objective of "achieving restoration of complete democracy and sovereignty of the people."

The people of Pakhtoonistan observed a "black day" on January 9 against the "repressive policies of the Pakistan Government."

Meanwhile, prominent writers, students and poets in Pakistan demanded freedom of speech and expression in the country. In a joint statement in Karachi they demanded the abolition of ordinances which, they said, "caused intellectual frustration all over Pakistan."

A students' meeting was abandoned in Rawalpindi on January 10 when two groups clashed over Mr. Zulfiqar Ali Bhutto's Left-wing People's Party. The meeting was called by the action committee of local students as part of their current agitation for the release of detained politicians and the restoration of democracy in Pakistan.

In Karachi, about 500 students and supporters of Mr. Bhutto marched with slogans reading: "Down with the Tashkent Declaration," and "Down with Soviet revisionism.'

In Lahore, where riots had followed the signing of the Tashkent Declaration, another march took place.

On January 13, students held a three-hour demonstration in Rawalpindi to denounce the Tashkent Declaration.

President Ayub Khan On World Problems:

Speaking at a banquet held in honour of the Shah of Iran and Turkey's Prime Minister, Mr. Suleyman Demirel who flew to Karachi on December 25, 1968 for two days of talks with the Pakistan President, F.-M. Ayub Khan said that the Kashmir issue was still poisoning Indo-Pakistan relations and added: "There has been little change in our relations with India."

Reviewing the international situation affecting Iran, Pakistan asd Turkey, grouped in the Regional Co-operation for Development, he made the following points:

Persian Gulf—As a result of the Shah's recent visit to Saudi Arabia and Kuwait, the "prospects of mutual understanding and co-operation among littoral States of the Persian Gulf are brighter today than ever."

Cyprus—He hoped current negotiations would prove fruitful and that Turkey's statesmanship and forbearance would be matched by "the other side".

He went on: "In West Asia, there are no signs of a break in the deadlock and tension continues to mount.

"Turkey, Iran and Pakistan all share the view that the Security Council resolution of November 22, 1967 must be faithfully and urgently implemented and that no aggressor be allowed to retain the fruits of his aggression."

Turkey, Iran and Pakistan had "certain outside pressures and the geo-political situation requires that we should get together and work together."

[When one correspondent asked if the Shah of Iran had the same views as President Ayub, an fficial spokesman said: "The views of the Shah of Iran and President Ayub were identical on more or less all the issues before the RCD countries."]

Demand For a President From East Wing:

Maulana Maudoodi, leader of the Jamiat-e-Islami Party said in Lahore on December 29, 1968 that he was in favour of putting up a Presidential candidate from East Pakistan.

Talking to newsmen on his arrival after four months' medical treatment in London, he said, it would be premature to say anything about Mr. Z. A. Bhutto's candidature, and added: "Justice demands that this time an East Pakistani is elected as President."

[Mr. Bhutto, like President Ayub Khan, is from West Pakistan.]

Maulana Maudoodi's party belongs to the Pakistan Democratic Movement, a joint front os four Right-wing parties, all of which have refrained from commenting on Mr. Bhutto's candidature.

President Ayub Khan On External Threat:

Addressing the West Pakistan Muslim League workers in Lahore on December 29, 1968, President Ayub Khan sought to divert the attention of his people from the current crisis rocking Pakistan to "external threat" and said that "the enemy with its well-organized 30 divisions will lose no opportunity to invade Pakistan and can do so in a week's time."

He added: "We are prepared to face any eventuality and ward off the enemy. A Mujahid force to protect vital installations has also been organized in the country."

Angered by the Opposition demand that the "Ayub **regime** must go", he said he did not want to remain President for ever, but even so any change in the Government had to be through peaceful and constitutional means. "The Constitution provides election once in five years. These could offer the best touchstone for the people to choose the Government they wanted. In any case there is no alternative to Basic Democracy."

Autonomy For East Pakistan Demanded:

In a joint statement on January 14, six Pakistani student leaders have demanded full autonomy for East Pakistan, Baluchistan and Sind and urged the maintenance of non-alignment status and scrapping of the CENTO and S-EATO pacts. The country should have a federal system of Government and the Legislative Assembly should be supreme.

Air Marshal Asghar Khan's Criticism:

Speaking to the Karachi Press Club on January 14, Air Marshal Asghar Khan denied that he had advocated a people's war to liberate Kashmir. "I am a peace-loving person."

Newspapers had quoted the Air Marshal as calling for a people's war. But, he said, he had only called for the formation of a people's army.

He said that the settlement of Indo-Pakistan problems was being hampered by the "Ayub **regime's** vested interests".

He did not spell out his approach on Kashmir.

He also said that he did not want to be thought of as inclined towards any one of the Great Powers. USA and Russia had the capacity to deliver modern military equipment to Pakistan, and "inevitably there will be a pull in that direction". China was acquiring that capacity. "But this should not be construed as leaning towards any one of those three countries."

He accused the Government of "strangling the Press" and called for the abolition of the National Press Trust—a Government-sponsored group which owns several major newspapers including **The Pakistan Times** and **The Morning News.**

He also criticized Government control over radio and television and said: "Our own people have no faith in **Radio Pakistan** broadcasts, with the result that we tune in to foreign radio stations for the correct version of our own events."

(**Dawn,** Karachi, **The Pakistan Times,** Lahore, **Radio Pakistan** and **The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8735:PAK:A]

B. **ADB Loan To Industrial Development Bank:** The Asian Development Bank (ADB) has approved a loan of $ 10 million to the Industrial Development Bank of Pakistan (IDBP), one of the two principal industrial development banks in the country.

The loan will be used to meet the medium and long-term credit requirements of small and medium industries in the private sector.

The loan is for a maximum period of 15 years, including a grace period not exceeding three years. It will carry interest at the lending rate of the ADB prevalent at the time of crediting the loan account.

The loan documents and other relevant papers were signed at the Bank's headquarters in Manila on December 16, 1968 by the ADB President, Mr. Takeshi Watanabe, and the Deputy Secretary of Economic Division of the Pakistan Presidential Secretariat, Mr. Syed-uz-Zaman, and the Managing Director of IDBP, Mr. Z. Huq.

IDBP, which was established in 1961, has an authorized capital of Rs. 60 million of which Rs. 30 million has been paid-in and an additional Rs. 10 million is to be paid in by the end of 1968. IDBP's lending resources in rupees are derived from capital and reserves, advances from the Government, credits from the State Bank of Pakistan and term deposits. Foreign currency resources at IDBP's disposal come largely in the form of allocations from external credits arranged by the Government. IDBP has also received suppliers' credits and loans directly from foreign sources; it had not so far secured assistance from international financial institutions.

(**ADB Press Release**)

[Prev. ref. 7470:JAP:B, 8654:JAP:B]

C. **Economic Forecast:** A Karachi despatch on December 31, 1968 stated that Pakistan was expected to maintain its rate of overall growth in the gross national product during the coming year. It should rise to 7 per cent if nothing perturbs the economic situation.

But the economy stands on precarious foundations: export earnings still depend largely on jute and cotton, markets for exports have not yet been diversified and the rupee is closely linked with sterling.

Furthermore, agricultural growth represents only a very small percentage of overall growth and expansion and it does not have the same speed as industry. Agriculture has not improved so much as not to be affected by a change in climatic conditions.

From one year to another, agricultural production could easily decrease. However, the prospects look brighter despite the poor performance shown during the first years of the Third Plan in major crops.

Foodgrains will decrease only owing to good production in 1967. The race between food production and the increase in population will remain the Government's nightmare, while free imports under PL 480 are going down. Import policy, which will be announced early in 1969 seems to be tougher, if one refers to a recent statement by the Minister of Commerce, Nawabzada Abdul Gafoor Khan, who advised businessmen to save as much foreign currency as possible, for reserves are decreasing.

As some industries are not working at full capacity, any slackening in imports is bound to slow industrial growth, which was doing fairly well till now. But the Government has to keep an eye on the unfavourable balance of payments; the foreign exchange gap will be over Rs. 7,234 million, according to the Planning Commission. It will certainly be an improvement, but detrimental to imports. The shortfall in development imports will most probably be reduced owing to large food and defence imports. This last item is unlikely to suffer, if not to increase.

In development expenditure, the public sector's shortfall is noticeable even more than in the private sector. Despite repeated efforts by the Government to stimulate private capital, the results have not yet come up to expectations. The lack of private investment is seen particularly in East Pakistan and this situation could not be improved in 1969. On the other hand, liquidity in the money market looks restrained for the time being and there is not much chance of improvement.

A shortfall in the availability of foreign assistance seems inevitable. Whatever foreign aid might be, one fact remains: the external debt is well over $2,091 million. Debt services rose to 17 per cent of the Budget in 1967 and could reach the critical point of 20 per cent. And this percentage appears when nearly 60 per cent of the Budget is spent on defence.

(**The Statesman,** New Delhi)

[Prev. ref. 8499:PAK:A]

D. **"Massive Aid To India"—US Envoy Denies Charge:** The US Ambassador in Pakistan, Mr. Benjamin Oehlert, has said in Rawalpindi that it was very wrong on the part of Pakistan to say that USA was making "massive" arms supplies to India.

In an interview, he said the word "massive" was "most inappropriate" in the case of US military assistance to India.

He said: "In comparison to US military assistance to Pakistan, US arms aid to India can by no stretch of imagination be described as massive".

Spelling out the US policy on Kashmir, he said his Government's role in seeking a solution to the problem could not be that of the initiator. "To fulfil such a role USA would be obliged to exercise pressures that would be unacceptable politically and morally both to ourselves and to one or another or both of the parties".

On the Farakka Barrage question, he re-iterated the position of his Government, which he said regarded the problem as one concerning Pakistan and India. However, his Government was hopeful that the problem could be resolved "equitably" and peacefully.

(**The Statesman,** New Delhi)

[Prev. ref. 7872:INI:D, 8318:AOA:F]

THAILAND

A. **Links With Laos Power System:** A transmission line linking the power systems of Thailand and Laos was inaugurated on December 16, 1968 at a special ceremony held on the Mekong River between Nongkhai (Thailand) and Thadue (Laos).

King Bhumibol Adulyadej and King Savang Vatthana of Laos, meeting on a decorated pontoon in the middle of the river, in a symbolic ceremony pressed buttons to release the supply of power from Thailand to Laos.

Before pressing the buttons the Executive Secretary of the Economic Commission for Asia and the Far East (ECAFE), U Nyun formally handed to Mr. Thanom Kittikachorn, the Prime Minister, control of that segment of the transmission line which connected Udon with Nongkhai in Thailand; and to Prince Souvanna Phouma, Prime Minister of Laos, that segment which connected Thadue with Vientiane in Laos.

U Nyun also handed over control of the international span of the transmission line which crossed the Mekong River and connected the two segments to Mr. Boonrod Binson, Chairman of the Committee for Co-ordination of Investigations of the Lower Mekong Basin. (Cambodia, Laos, Thailand and South Viet-Nam comprise the Committee).

(**The Bangkok Post** and **UN Newsletter**)

[Prev. ref. 7602:LAO:A]

TURKEY

A. **NATO Membership Defended:** Addressing a Congress of the ruling Justice Party in Ankara on December 6, 1968, the Prime Minister, Mr. Suleyman Demirel, defended Turkey's continued membership of NATO.

He said: "No one is ignorant now about how independent Turkey would be if she left NATO and falls under a totalitarian administration." He asked the critics: "Has Turkey lost her independence with its association to NATO?"

He said that Turkey entered into the NATO and CENTO alliances of her own free will. Turkey had been seeking peace since the days of Ataturk. It was to attain this goal and to safeguard her independence that it had joined NATO with great enthusiasm as an equal member of the 14-nation alliance.

He said the geo-political situation of the country dictated Turkey's entry into the defence pacts. In pursuance of the objective of peace, Turkey also established friendly relations with the Balkan States.

Referring to the domestic problems, he warned that disruptionist activities would not be tolerated by his administration. Persons shouting slogans of socialist Turkey in fact wanted to turn the country into a totalitarian Leftist State. The people of the country would not allow this to happen.

Mr. Demirel was re-elected Chairman of the Party.

(**Dawn,** Karachi)

[Prev. ref. 8725:TUR:A]

ASIA OUTSIDE ASIA

A. **Commonwealth Premiers' Conference:** The 18th session of the 28-nation Commonwealth Prime Ministers' Conference opened in Marlborough House in London on January 7.

The Prime Ministers approved the agenda which included: (1) The world political situation, (2) the Rhodesian problem, (3) the world economic outlook, and (4) co-operation between Commonwealth countries. The immigration issue was included in item 1, while "fighting in Biafra" was dropped, being an internal affair of Nigeria.

In the afternoon session, the British Foreign Secretary, Mr. Michael Stewart opened the debate with a general review of major international problems, explaining British points of view on Viet-Nam, Nigeria, NATO, immigration etc. Mr. Arshad Husain, Foreign Minister of Pakistan who followed him, referred to the deteriorating situation in West Asia and pleaded for friendly relations with China. Mr. Wilson, however, checked him when he referred to Kashmir, it being a bilateral issue not to be discussed at the Conference.

Mr. Holyoake of New Zealand, Dr. Borg Oliver of Malta and Mr. Lee Kuan Yew of Singapore expressed anxiety over the British withdrawal from the Far East and Mr. Siaka Stevens of Sierra Leone appealed for peace in Nigeria.

Mrs. Indira Gandhi (India), in her speech, pointed out "Chinese aggression and hostility towards those who did not fall in line or serve some Chinese purpose" and brushed away Pakistan's reference to Kashmir being an internal matter of the State. She advocated the withdrawal of foreign forces from Viet-Nam and expressed firm belief in non-alignment.

Earlier in the morning, a crowd of about 300 people demonstrated with banners and slogans for and against "Majority Rule For Rhodesia," "Britons Stand By Your Kinsmen," and "Scrap Ayub's Bogus Constitution". A group representing Indian Workers' Association in Great Britain, pressing for the rights of Indian immigrants in Britain and the depressed classes in India, met Mrs. Gandhi. About 30 writers and publicists opposed to the Rhodesian regime were forcibly evicted by the police from their sit-in strike at Rhodesia House. A few East Pakistanis unfurled a banner declaring UDI—Unilateral Declaration of Independence—before Marlborough House, calling it the East Pakistan House.

The Conference continued discussion of foreign affairs on January 8. Mr. John Gorton, Prime Minister of Australia desired settlement of the Viet-Nam issue with South Viet-Namese right to choose their Government through free elections and expressed his interest in the development of all the Commonwealth countries. Tengku Abdul Rehman of Malaysia blamed China for South-East Asia's problems and accused it of trying to dominate and influence it by "fair and foul means". Others who participated in the day's discussion included Mr. J. S. Gichuru (Kenya), Mr. D. Senanayake (Ceylon) and Dr. Milton Obote (Uganda).

The discussions brought out unanimity among delegates on the validity of the Commonwealth and general condemnation of **apartheid.** Lesotho explained that by virtue of its being surrounded by South Africa it had to maintain normal relations with that **apartheid** State. On the Viet-Nam issue, Britain, Australia and New Zealand held North Viet-Nam responsible for the stalemate in the Paris talks while India stressed the evacuation of foreign forces and leaving the Viet-Namese free to solve their differences.

The burning issue of Rhodesia was taken up on January 9. Mr. Thomson, British Minister in charge of Rhodesian Affairs, opened the discussions with a review of the issue, referring to the **Tiger** and **Fearless** negotiations and the effect of sanctions as a whole. He asserted that the British pledge of NIBMAR—No Independence Before Majority Rule—still stood and claimed that the **Fearless** proposals were not inconsistent with it and that they guaranteed unimpeded progress to majority rule. He added that direct British rule could not be imposed on Rhodesia.

President Julius Nyerere of Tanzania who followed him as the chief spokesman of African countries had earlier, in consultation with other countries, framed certain definite proposals which he now placed before the Conference. Rejecting the **Fearless** proposals as a means to transfer power to minority rule, he put forward his three proposals, viz., withdrawal of the **Fearless** offer, re-affirmation of NIBMAR and intensification of sanctions. Ghana, Kenya and other African countries lent their full support to the proposals, but the Australian Prime Minister, Mr. Gorton, said that it was essentially a British problem and should be left to her to solve. Mrs. Gandhi, at the end of the meeting, gave full support to Mr. Nyerere's proposals and urged the British Government to accept them as otherwise the very foundations of the Commonwealth would be "shattered".

Mr. Harold Wilson expressed his inability to pull down the Rhodesian flag flying in London due to the legal position and explained to Tengku Abdul Rehman why Britain maintained a High Commission in Salisbury.

The Rhodesian debate on January 10 lasted for the whole day. The participants were President Kaunda of Zambia, Mr. P. Trudeau (Canada), President A. Banda (Malawi), Mr. Lee Kuan Yew (Singapore) and Mr. Arshad Husain (Pakistan).

Mrs. Gandhi returned to India on January 11 leaving Mr. B. R. Bhagat, Minister of State, to participate in further meetings of the Conference.

World Economic Situation:

The Conference took up the next item of the agenda, the world economic situation, on January 12, with a review by the British Chancellor of the Exchequer, Mr. Roy Jenkins, who dealt especially with monetary affairs.

Ghana urged the creation of the Commonwealth Development Fund, while Mr. Senanayake pleaded for reversal in the trends of world trade which made "the rich richer and the poor poorer".

The debate concluded on January 14.

The Communique:

A **communique** issued at the conclusion of the session on January 15 after a brief discussion on Commonwealth co-operation covered all the topics discussed.

On the question of majority rule in Rhodesia, it said, many Heads of Government urged that this could only be carried out through the normal democratic process of an election or referendum. Mr. Harold Wilson explained that it would be open to a proposed Royal Commission to assess whether any test would be possible.

On other international matters, the Commonwealth leaders re-affirmed their condemnation of South Africa's **apartheid** system. They urged Portugal to concede the right of self-determination to the people of their African territories.

On Czechoslovakia, they said that Moscow's action violated the principle of non-interference in the affairs of other countries and violated the United Nations Charter. They expressed unanimous support to the peace-making mission of Mr. Gunnar Jarring in West Asia.

Outside The Conference:

The delegates to the Conference participated in various social and political activities during their stay in London.

Mrs. Indira Gandhi addressed the Indian students at the Mahatma Gandhi Students' Hostel on January 7 when she expressed herself against the nuclear race with China. She met Indian immigrants at Nehru Hall in Southall where she was welcomed by the President of the Indian Workers' Association of Britain and the Mayor of Ealing. Speaking at the commercial TV programme, Today, she criticized Russian supply of arms to Pakistan as likely to create tension in the area. On January 8, she expressed sympathy for the British citizens of Indian ancestry at the BBC "24 Hours" news programme. On January 9, she had a business luncheon with Mr. Harold Wilson and his colleagues and discussed immigration and other problems. On January 10, she attended a luncheon by Indian journalists when she expressed the hope that the Indian Ocean would remain peaceful. To the people who met her on the way with the slogan "Freedom for Kashmir", she said that it so happened that some 4 million Kashmiris lived in freedom.

Other Prime Ministers:

Mr. P. Trudeau, Prime Minister of Canada declared on January 9 that Canada would keep its military force in NATO for another year and confirmed that it had decided to recognize China.

Mr. Lee Kuan Yey, Prime Minister of Singapore declared at meeting of the Royal Commonwealth Society on January 9, that Commonwealth countries would "forge new links" if Britain failed to re-establish a sound economy.

Addressing Tanzanian students on January 14, President Nyerere said that Tanzania would leave the Commonwealth if Britain settled the Rhodesian issue on the basis of the **Fearless** proposals.

The Immigration Problem:

With a brief reference at the Conference on January 7, the immigration issue was passed on to a working group of 17 nations on January 11. Kenya, Tanzania, Zambia and Uganda boycotted the meetings on January 13. They said they would attend meetings only when Britain gave an assurance that the Asians in these countries would be accepted as British citizens.

The Kenyan Minister, Mr. Tom Mboya on behalf of East African countries laid down two conditions for co-operation, viz, (1) Britain must accept that the question of Asian holders of British passports was a matter of British citizenship and not of immigration, and (2) Britain must accept them as British citizens. India maintained that Britain must first accept her responsibility for her Asian citizens and then India would help her in several ways including their temporary admission in India.

In the meantime, the Canadian Prime Minister announced that he was prepared to accept a certain number of Indian and Pakistani immigrants in Canada and that the decision on the matter could be taken by March.

The Nigerian Issue:

Efforts outside, the Conference to end the Nigerian civil war did not produce any results. The Nigerian representative, Chief Awolowo complained that the Biafran representative had not met him.

President Obote of Uganda said that he would continue to try to find an answer to the problem, not necessarily in London but also in Africa.

(**The Times**, London, **The Hindu**, Madras and **The Statesman**, Calcutta)

[Prev. ref. 7370:AOA:A]

B. "Soyuz-4" And "Soyuz-5" Launched By USSR—Link-up In Outer Space: On January 14, the Soviet Union announced that Col. Vladimir Shatalov had been blasted aloft in his **Soyuz-4** craft at 10-38 a.m. Moscow Time (7-38 a.m. GMT).

The aim of **Soyuz-4** was to study spacecraft rendezvous technique, an indispensable step for the establishment of a space platform.

Tass said the spacecraft, had been placed into orbit round the earth. The pilot "is feeling fine." The craft was orbiting the Earth once every 88.5 minutes at a maximum distance from the Earth of 225 km and a minimum distance of 173 km.

A **Tass** commentary recalled the Soviet space "firsts" and said: "The beginning of 1969 has been a very eventful period of space research in the Soviet Union. Two space probes were launched towards Venus in January, which are to reach their destinations in May. Today the Soviet Union launched a manned spaceship **Soyuz-4.** These are some of the outstanding developments that mark the start of the 12th year of space research which began on October 4, 1957, when mankind heard the unfamiliar beep-beep which later became so famous."

The following day (January 15), another manned craft, **Soyuz-5**, was launched with a three-man crew, which included cosmonauts Yevgeny Khrunov and Alexei Yeliseyev, and the crew commander Boris Volynov.

On January 16, the Soviet Union performed a unique space feat when **Soyuz-4** and **Soyuz-5** linked up in outer space to become an orbiting cosmic station, transferred two crewmen from one of the spaceships to the other and then separated to continue their flight in different orbits.

Cosmonauts Yevgeny Khrunov and Alexei Yeliseyev left **Soyuz-5** through the porthole of the orbital compartment wearning space suits and entered **Soyuz-4** after an hour in space to become the first men to move from one spacecraft to another. During the space walk, the cosmonauts carried out a number of scientific experiments and observations.

The link-up was achieved at 11-20 a.m. Moscow Time when **Soyuz-4,** on its 34th orbit, and **Soyuz-5** on its 18th, were both above the Soviet Union. When the distance between the two was only 100 metres, Col. Shatalov took over manual control of **Soyuz-4** and docked with **Soyuz-5.** The spaceships were then mechanically coupled and rigidly fastened together and their electrical circuits connected.

As the two linked-up ships continued their orbital flight, **Tass** described them as the world's first experimental cosmic station and noted that the station, with its four crew compartments, had facilities to implement "a large round of experiments and investigations as well as comfortable conditions of work and rest."

Tass revealed that the space suits worn by cosmonauts Khrunov and Yeliseyev were fitted with "a new autonomous regeneration-type, life-sustaining system." During the space walk and the switchover from one spaceship to the other, the cosmonauts maintained continuous communications between them.

Explaining the significance of the experiments, **Tass** said they created "preconditions for implementing such operations in space as replacement of crew of long-term orbital stations or the rescue of spacecraft crew in an emergency."

"Soyuz-4" Returns To Earth:

The Soviet spaceman, Lieut-Col. Boris Volynov, whirled round the Earth alone in **Soyuz-5** after the two cosmonauts who went up with him returned to Earth in **Soyuz-4** on January 17.

The return of **Soyuz-4,** marked another first in the series accomplished over the past four days by the Soviet space team. Never before had spacemen left Earth in one craft and come back in another.

Soyuz-4, carrying its commander Col. Vladimir Shatalov, and cosmonauts Yevgeny Khrunov and Alexei Yeliseyev parachuted gently to ground this morning in the specified landing area on a freezing snow-covered steppe in Central Asia.

"Soyuz-5" Also Returns Safely:

On January 18, Lt.-Col. Boris Volynov, the last of the four cosmonauts who achieved the world's first space rendezvous, also returned safely to Earth in **Soyuz-5.**

Col. Volynov's capsule came down only about 200 km from the Baikonur cosmodrome in Central Asia whence it was blasted into orbit.

Like **Soyuz-4, Soyuz-5** came down by a newly-developed Soviet soft-landing system using parachutes and retro-engines. A braking engine was switched on to kick the spacecraft out of orbit. After the engine stopped running, the descent apparatus carrying Lt.-Col. Volynov separated itself from the orbital compartment. After braking in the atmosphere, the parachute system and soft-landing engines ensured the soft descent and landing of the apparatus in the present area.

In a round-up article on the twin space fights, **Tass** said the two crafts had carried out several important scientific and technical experiments:

(1) The launching complex ensured efficient and reliable prestart preparation and launching of the spaceships;

(2) The control systems of the carrier rockets ensured the exact placing of the vehicles on precalculated orbits; and

(3) The recovery capsules of the spaceships, carrying the cosmonauts, landed in the pre-set spots with high exactitude.

Tass also listed the following further gains from the flight;

(1) The principles of space navigation were perfected, observations of characteristic geological and geographical formations of the Earth's surface were carried out, as well as observations of the cloud and snow cover of the Earth of the brightness of the Earth and, star. The cosmonauts tried to spot cyclones and typhoons.

(2) Medico-biological studies of the influence of space flight conditions on the human organism were carried out according to a broad programme. Constant medical control over the state of the cosmonauts' health was conducted throughout the flight.

(3) The link-up of spaceships achieved during their flight enabled the establishment of an orbital space station. The entire complex was "oriented and stabilized" in space.

Although there was no indication of the next Soviet space attempt, Tass said the results of the flight of **Soyuz-4** and **Soyuz-5** were of great importance for further perfection of space technology and would be used for the development of future piloted flights and the creation of orbital manned stations for scientific and economic purposes.

Orbital cosmic stations are known to be an essential part of Soviet plans for exploration of outer space. Col. Shatalov, was reported as saying at a news conference after his return to Earth, "The future lies with orbital stations made up of several ships. There is no point in bringing such a station to Earth. Orbit crews may be changed regularly."

"Orbiting Cosmodromes" In Space:

Two Soviet scientists said in Moscow on January 18 that the Soviet Union proposed to construct '"orbiting cosmodromes" in space.

The scientists Mr. Vladimir Siforov and Mr. Alexander Mikhailov stated that future cosmonauts would have the benefit of "perfectly equipped orbting cosmodromes and comfortable interplanetary hostels." Such a programme had been made possible by the docking of the two **Soyuz** spaceships.

"The achievement demonstrates that the building of interplanetary bases for the launching of the space vehicles, the rotation of crew and the replenishment of supplies is no longer a dream."

24-Hour Rhythm To Be Maintained By Spacemen:

Two physiologists writing in **Pravda** on January 16 said that Soviet spacemen would maintain the routine of a standard 24-hour day while in space, even though on an orbiting flight the day has 16 sunrises.

They said that the 24-hour rhythm of life on Earth had been developed by "generations of our ancestors. It is but natural that it is the most stable and acceptable for cosmonauts. This means that Soviet cosmonauts will sleep for eight hours during each 24 hours in space, and not for five hours, as some American scientists have recommended.

"Soviet cosmonauts will also sleep at the same time they would have slept had they remained on earth, despite the endless procession of 45-minute days and nights as they circle the globe. This too contrasts with the American practice. Astronauts do not always observe Cape Kennedy bedtimes when they are aloft.

"The 24-hour rhythm of physiological process ensures man's highest physical and mental activity while he is awake, and at the same time raises his stamina."

USSR Leads USA In Assembling Space Equipment:

Britain's leading space expert, Sir Bernard Lovell said in Manchester on January 16 that the link-up of the two Russian crafts gave the Soviet Union a four-year lead over the United States in assembling space equipment in orbit.

He said that if all went well with the Soviet programme "my guess is that the Americans will be looking rather small fry by the middle 1970's."

"The successful creation of a space platform leaves many options open to the Russians, both for scientific observations of the earth and universe and an intermediate stage for flights to the Moon and planets". He forecast that the Soviet Union would be building on the Moon observatories and crafts for planetary exploration by 1974 or 1975.

Meanwhile, in Washington, a leading NASA official, Dr. Edward Welsh, congratulated the Soviet Union, but claimed it had no great scientific value.

Another US space official said "it is inevitable that Russia will try to use space as a military operating arena."

The official, Lt-Gen. Samuel C. Philips added that "it would be tragic for our country to slow down its efforts or to fail to develop the technology that's essential for space operations".

Shots Fired At Cosmonauts:

At the Heroes' Reception to the four cosmonauts in Moscow on January 22, a mentally unbalanced person fired several shots as a motorcade led by the four cosmonauts was moving towards the Kremlin.

Cosmonaut Georgy Beregovoy, Commander of the space-craft **Soyuz-3**, was injured in the neck by a flying glass piece. The driver of another car was also wounded.

Confirming the shooting incident, a Soviet Foreign Ministry spokesman said he had no details.

The attack took place shortly after 2 p.m., local time. The gunman, unidentified, was described as "schizophrenic."

Annual Report On US Space Activities:

In his annual report on US space activities presented to Congress January 17, President L. B. Johnson said that the Russians "could overtake and possibly surpass the USA," in space-flight.

He said the **Apollo-8** flight around the Moon and back had "greatly enhanced the prestige of the United States as the leading space-faring nation." But he left to the President-elect, Mr. Richard Nixon, decisions on any great new programmes to follow the **Apollo** project.

This report gave the United States a wide lead over Russia in practical applications of space exploration, such as weather, communications and navigation satellites. and in contributions to science.

The report said that since space flight began some 11 years ago the United States had launched 606 spacecraft compared to 358 by Russia. At the end of 1968 the United States had amassed 3,214 man-hours in space, Russia 631. But in 1968, the Russians had lofted 81 spacecraft compared to 64 by the United States. In a section of the report, prepared by the National Aeronautics and Space Council, it was noted that at this rate the Russians could go ino the lead.

Mrs. Indira Gandhi Hails Soviet Achievement:

On January 17, the Indian Prime Minister, Mrs. Indira Gandhi hailed the latest Soviet space feat and said, "this is yet another wonderful achievement demonstrating the courage and vision of man and the accuracy and efficiency of the team-work of many scientists".

She added: "May the extension of the horizon of knowledge and man's control over his environment always be harnessed for the service and welfare of the masses of the world who still lack even the bare necessities of life".

(**Tass, Pravda, The Times**, London and **The Statesman**, New Delhi)

[Prev. ref. 8643:AOA:A, 8713:AOA:B]

C. UN Action Against Hijacking Of Commercial Aircraft—IATA Call: The International Air Transport Association (IATA) on January 14 called for UN action against hijacking of commercial aircraft.

In a message to the 103 member-airlines of the Association, its Director-General, Mr. Knut Hammarskjold, called for Government support to declare armed interference with scheduled service flights an international crime like piracy or genocide.

He also asked UN member-Governments to bring criminal charges against hijackers and those who committed similar offences.

He suggested that the Council of the International Civil Aviation Organization be informed of such acts and that international commissions of inquiry with neutral chairmen investigate each such incident.

(**The Times**, London)

[Prev. ref. 8482:ISR:A]

D. Jobs At UN Headquarters—Country-wise Analysis: A country-wise analysis of jobs at the UN Headquarters, made by the Indian External Affairs Ministry, shows that India is not the only country to have over-representation there. There are 15 other countries in a similar position.

The reasons, according to the analysis are mainly three. First certain initial advantages went to the middle-rung countries who joined UN in the first decade. Secondly, the countries where English or French or both are used extensively seem to have had an edge over other members of UN as these two languages predominate as media of business transaction. Thirdly, the availability of skill and job opportunities.

Among the 16 countries over-represented on the UN Headquarters staff, the UAR takes the top position as having slightly more than three times the number of jobs prescribed for it by the UN General Assembly.

India, Ethiopia, Czechoslovakia and Chile come next with slightly more than twice the range prescribed for them, while Pakistan, Ghana, Nigeria, Ceylon, Indonesia, the Philippines, Thailand, Yugoslavia, Colombia, Ecuador and Syria come in the next category of over-representation, with their actual strength ranging from slightly-more-than-twice or twice the limit prescribed.

The analysis also shows that the permanent members—the United States, the Soviet Union, Britain, France and Formosa—are under-represented so far as their quota is concerned, but they are adequately represented in higher echelons. The reason would appear to be that job opportunity for the ordinary UN post is not sufficiently attractive for these countries, while they have taken care to fill up higher posts either because of their political importance or because they were comparable to other jobs available in these countries.

[The Indian External Affairs Ministry undertook the country-wise analysis of UN jobs after reports appeared in certain American newspapers giving the impression that India was the only country to have secured UN jobs beyond the quota fixed for it. The reports appeared after an Indian was promoted to a high post in the political department at UN Headquarters, headed by an Under-Secretary-General in charge of political affairs, who is a Russian.]

The quota of UN jobs each member-nation can have was fixed by the UN General Assembly on a formula based primarily on the contributions which each country made towards UN finances. The other factors taken into account are said to be the population and potentialities and availability of skilled man-power.

Out of a total of 1,118 jobs at the UN Headquarters, the 16 over-represented countries between them hold 330 posts. But staff appointments during the last one year show that an effort is being made to correct the past imbalances. Representation of African nations has increased by 12 per cent during this period, while that of West European countries by 10 per cent.

The following table shows the so-called over-representation of 16 nations as on August 31, 1968:

Country	Prescribed Range	Actual staff position
Ethiopia	2 to 6	14
Ghana	2 to 7	14
Nigeria	3 to 8	14
UAR	5 to 8	25
Ceylon	2 to 7	14
India	26 to 31	65
Indonesia	7 to 10	17
Pakistan	8 to 10	17
Philippines	7 to 10	16
Thailand	3 to 7	19
Czechoslovakia	16 to 17	35
Yugoslavia	8 to 11	19
Chile	5 to 9	22
Colombia	5 to 8	16
Ecuador	2 to 6	12
Syria	2 to 6	11

(**The Hindu**, Madras)

[Prev. ref. 3765:AOA:A]

E. Heart Transplantation Not A Complete Cure—Dr. C. Barnard's View: The South African surgeon, Dr. Christian Barnard told an international Medical Congress in Florence (Italy) on January 14 that heart transplants could help a patient, but not cure him completely.

He said heart transplant patients might live long, but even after many months they must reckon with resistance reaction; this threat was always there.

He said that so far resistance reactions of the body of heart transplant patients could be stopped only by pharmaceutical treatment. The main difficulty was not to suppress the body's resistance too much, because otherwise the patient might catch infections very easily.

(**The Times**, London and **The Statesman**, New Delhi)

[Prev. ref. 8321:AOA:V]

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BAHRAIN

A. **New Aluminium Smelting Plant:** The foundation stone for a £20-million sterling aluminium smelting plant—Bahrain's first major heavy industrial project—was laid in Bahrain early in December, 1968 by the Ruler, Sheikh Isa bin Sulman al-Khalifa.

The plant, with a capacity of nearly 60,000 tons annually, will also be the Arab world's first aluminium smelter. It will give much-needed work to nearly 500 Bahrainis.

Built by the Aluminium Consortium (ULBA), it is expected to be in full production in two years' time.

(**The Baghdad Observer**)

[Prev. ref. 8657:BHR:A]

BURMA

A. **Political Leaders In Advisory Board:** The Chairman of the Revolutionary Council, Gen. Ne Win, announced in the first week of December, 1968 the inclusion of former political leaders in a Board which would advise the Government on key problems facing the country.

Observers saw in the announcement a major shift in the Government's policy. It set off speculation that big changes were contemplated.

The official Press had since come out with a statement that the board would be only an advisory body "which could offer suggestions on means of establishing internal unity as well as on political, social and economic problems."

On December 1 Gen. Ne Win called on these leaders to advise him on a national Constitution. (Burma's Constitution was suspended when Gen. Ne Win came to power in 1962 and all political parties were dissolved under the National Solidarity Law.)

In his meeting with the former Premier, U Nu, and leaders of the other defunct parties he invited advice on ideas for future betterment of the country's stability and prosperity.

Three days later, on December 4, 1968, he announced the establishment of what was officially described as the Internal Unity Advisory Board. U Win Maung was named Chairman of the Board. One of its major tasks would be to help the Revolutionary Council draw up a Constitution. Its work would also include advising the Council on establishing national unity and progress.

(**The Statesman,** Calcutta)

[Prev. ref. 4499:BUR:A, 8255:BUR:A]

B. **Nationalization Programme:** The Government pushed through a new phase of Nationalization in early December, 1968 when it took over six large cinemas. There are 422 cinemas in the country.

The cinema houses were taken over under the Socialist Economy Construction Law.

The newspaper, **Guardian,** said: "Cinemas are public entertainment houses like other public utilities and they should belong to the people."

Soon afterwards, the Government started taking over saw mills. At the end of the month, 50 had been nationalized.

On December 16, 1968, the Government nationalized 168 industrial concerns in Rangoon and Mandalay.

An official announcement said that the take-over covered 60 textile concerns, 28 in foodstuffs, nine in engineering and two in enamel and ship-building, apart from 30 other assorted organizations.

The announcement did not say whether the Government was continuing its nationalization plan for industries in other towns.

(**The Statesman,** Calcutta)

[Prev. ref. 8623:BUR:A]

CEYLON

A. **State Of Emergency Ends:** The State of Emergency proclaimed in Ceylon 26 months ago (see pages 6909 and 6943) ended on January 17 as the Governor-General did not extend it.

The emergency had been extended in the past on a monthly basis through **Gazette** notifications.

(**The Hindu,** Madras)

[Prev. ref. 6943:CEY:A]

CHINA

A. **New Draft Constitution For Party:** Copies of a document purported to be the draft of a new Constitution for the Communist Party have been circulated in the provinces.

According to reports from Hong Kong, where some copies have reached, the draft asserts that Mr. Mao Tse-tung has brought communism to "a brand new stage."

The new draft, which is to replace the 1956 Constitution, reflects Maoist thought. The preamble says that "the base platform of the Chinese party shall be to thoroughly overthrow the bourgeoisie" and "to defeat capitalism."

"The Chinese Communist Party shall take Marxism, Leninism and Mao's thought as its ideological foundation. Mao's thought is modern Marxism-Leninism which will drive imperialism to collapse and lead socialism to world-wide victory."

In contrast to the draft, the 1956 Party Constitution—which is a much more precise, legalistic and passionless document — never mentions Chairman Mao by name and pledges the party to the principle of "collective leadership."

In an unusual departure for a political party constitution, the draft specifically named the Defence Minister, Marshal Lin Piao as "comrade Mao's intimate fighting friend and successor."

The 1956 Constitution specifically expressed friendship for the Soviet Union, which was described as the leader of the socialist world. In contrast, the new draft said that the party "insists" that its members show "proletarian internationalism" in order to "bring down imperialism headed by the United States (and) modern revisionism headed by the Russian revisionist rebel group."

Background:

According to Richard Harris, **The Times'** specialist on China affairs, the draft was the work of Mr. Mao Tse-tung, first circulated at the time of the party plenum last October. It will be completed when the ninth Congress of the party meets, perhaps as early as February but certainly by the Spring—that is, if "difficult" provinces whose revolutionary committee are reluctant to send approved delegations to the Congress can be brought into line.

The seventh Congress of the party held in Yenan in 1945, was the first Congress after Mr. Mao Tse-tung won control of the Central Committee in 1935 and consolidated his "thoughts" as the guiding light of the party during the rectification campaign of 1942-43. In 1945, Mr. Mao Tse-tung's power and prestige were beyond dispute in a party that saw the chances of power looming not many years ahead. There was a reference to the thoughts of Mr. Mao Tse-tung along with Marxism-Leninism as the guiding line for the party.

But by 1956, when the eighth Congress was at last held, Mr. Liu Shao-chi and Mr. Teng Hsiao-ping held effective power at the head of this much expanded and powerful institution. The revised constitution that then emerged set forth in precise Articles the duties, responsibilities and organization of the party, and reverted to Marxism-Leninism alone as the guiding doctrine.

There followed in Mr. Teng's speech introducing the constitution, some carefully worded remarks about the cult of personality. Superficially, it was no more than an echo of Mr. N. Khruschev in his denunciation of Stalin six months previously, but to the Congress it was only too obviously a warning to the dominant personality in their midst. The Cultural Revolution and the new draft constitution which marks the "victory" of that Revolution are the reply from that very live personality.

The new constitution is vague about meetings of the upper organs of the party. "Under normal circumstances" the national party Congress will meet every five years, it says, ignoring the fact that the forthcoming Congress will follow 13 years after the last party Congress was elected. As for the Central Committee, which was intended to meet about every six months under the old constitution, there is no provision for regular meetings under the new one.

According to Mr. Harris, it is the political bureau to which all the power is reserved, and indeed, it is evident that in the past 10 years Mr. Mao Tse-tung has been unwilling to call meetings of the Central Committee which obviously failed to support him in 1962 and was not called again until 1966 when the Red Guards were out in force in Peking and a packed meeting, far outnumbering the regular members of the Committee, acclaimed Mr. Mao Tse-tung's 16 points of direction for the Cultural Revolution.

Nor does the new constitution set forth the rights of party members as the 1956 constitution did. The only exception is the right of a party member to appeal directly to the highest organs of the party if he finds himself disagreeing with the lower levels. The proposal is evidently included to ensure that if the party were again to fall under the dominance of "revisionists", a future Mao Tse-tung could again begin a revolution from below as Mr. Mao Tse-tung himself has done in the Cultural Revolution. Indeed, the new document may be said to hape been drawn up by a man who has completely disregarded almost all the Articles of the 1956 constitution which has evidently hampered his "style of work" from the beginning.

Observers have noted other differences between the old constitution and the new such as the definition in 1956 of "building socialism," while the new document assumes socialism to have been built but regards communism as a long way away. Again, where the 1956 constitution had a preamble setting forth economic policies, the new hardly mentions them beyond looking forward to progress in China in building socialism independently and to faster and better results—phrases which echo the slogans of of the "great leap forward" of 1958.

There is no mention either of policies towards minorities, nor any warning against Han (Chinese racial) chauvinism as there was in the 1956 document.

(**The New York Times** and **The Times,** London)

[Prev. ref. 8625:CHI:A]

B. **Intellectuals Asked To Remain In Villages: Peking Radio** reported on January 11 a campaign to persuade the intellectuals sent from cities to remote rural areas to remain the "new socialist peasants for the rest of their lives."

The **Radio** said that with the help of People's Liberation Army men, peasants in Wenyuanyau Commune, Frenchen County, Inner Mongolia, were helping such intellectuals "fight a battle of thought, life and labour" to make them "love socialist rural villages."

Army men and peasants in the commune assisted the intellectuals in criticizing ex-President Liu Shao-chi's theory on "study to become officials," and his idea for students to stay in the cities divorced from labour.

The intellectuals had been made to realize that deciding on the matter of staying in rural areas for the rest of their lives was a measure of their loyalty to Mr. Mao Tse-tung or Mr. Liu. "Wavering stand on such an important matter means disloyalty to Chairman Mr. Mao."

The **Radio** said that "some of the intellectuals feared the fatigue and strain of working hard. Nor were they used to the rustic house, Kang (a hard brick bed), oil lamp, and the cooking of their own meal. An old peasant woman taught them cooking and brought them to eat the 'bitter memory meal' in peasants' homes so as to let them savour peasant life." As a result, the youths are getting firmer in their decision to remain peasants in the remote rural areas for the rest of their lives."

Mr. Mao Tse-tung had thrown his weight behind the campaign. A brief message from him had been splashed over the newspapers as the fervour of volunteering was brought to a peak. Civilians and soldiers in their hundreds of millions, according to **Peking Radio,** were all helping to whip up enthusiasm.

The "intellectuals" who were going were university graduates, senior high school graduates and sometimes 14 to 15-year-old junior school leavers, all soldiers of Mr. Mao Tse-tung who had hitherto provided the backbone of the Red Guard movement. They were part of the vast internal migration which the Cultural Revolution had brought to a peak previously unknown in China. When the Red Guards were called up in 1966, about 11,000,000 of them made their way to organized demonstrations in Peking. As many more went from one part of China to another "making revolution" against revisionist leaders in the Communist Party. At the same time there were the evacuees of the previous decade who had found rural life too much for them and who, under the excuse of "making revolution," sneaked back to their city homes. These youths too were being rounded up for a return to the village.

From the figures quoted in the press, sometimes for a provincial capital, sometimes for the towns in a district, or for a whole province, a rough figure of 10 million may be arrived at. By the time the campaign ends something like 15 million may have been shifted from town to country.

The campaign sets out to solve several problems. One is unemployment in the cities. In a country where parents and children are equally eager and serious about education there are simply not enough jobs for the educated, especially of the mandarin status, which survives in China as an ideal even if this now takes the form of the party official. It has, of course, been one of Mr. Mao Tse-tung's chief aims in the Cultural Revolution to demolish this status in fact and in imagination.

One obvious use for the "intellectuals" is to put them to the task of education. A timely reform being introduced all over China transfers the responsibility for all but higher education from the Government down to the commune. The midway unit of the production brigade —lying between the village level production team and the 50 or more villages of the commune itself—is being given more responsibility and may have the job of running junior schools.

(**The Statesman**, Calcutta and **The Times**, London)

[Prev. ref. 8549:CHI:A]

C. **Continued Detention Of British Journalist:** A member of the staff of the Chinese **Charge d' Affaires** in London said on December 4, 1968 that Mr. Anthony Grey, the **Reuter** correspondent who had been detained in Peking for 16 months, would not be released until 13 **New China News Agency** employees were freed in Hong Kong.

He rejected a petition signed by some 2,800 London journalists, calling for Mr. Grey to be freed, but agreed to retain the signatures for further consideration.

The Hong Kong Government reacted strongly to the statement made by the Chinese mission in London. A Government spokesman accused the Chinese of changing their attempted justification for the solitary confinement imposed on Mr. Grey.

When he was first detained, the Chinese Foreign Ministry had claimed that this was an act of retaliation for the arrest of eight "Press workers" in Hong Kong, all of whom had since been released. But now China was linking Mr. Grey's case with that of the 13 journalists and newspaper employees who were arrested after the **Reuter** correspondent was put under house arrest.

(**The Times**, London)

[Prev. ref. 8445:HGK:B]

D. **American Firm's Bid To Pay Dues Ignored: The New York Times** in a report date-lined Washington on January 1 said that the Chinese authorities had not accepted payment of about $600, 000 from the Radio Corporation of America—a balance built up over 18 years for such international communication services as telegrams and telephone calls.

The US Treasury had authorized the payment last Spring, after a State Department and White House policy decision. It would have been the largest dollar payment to China since the foreign assets control embargo of 1950, which prohibited transfer of US funds to Peking without a specific license.

The Johnson Administration had made the decision to free the funds to pay the communications bill without publicity, and officials were careful not to cast it in a political light at the time. No sales of equipment were involved and it was a debt clearly incurred by an American corporation, in many cases on behalf of citizens of other countries who had sent and received messages through RCA facilities.

Chinese representatives stated no reasons for not accepting the payment when it was offered to them. A US Government Note informing Peking that the funds were ready to be paid had gone unanswered. A spokesman for RCA said the offer remained open.

At the same time, the Chinese severed all tele-communications links with USA, which had been maintained but little noticed during the years of isolation and political hostility.

Warsaw Talks To Be Resumed:

Meanwhile the Chinese agreed to resume Ambassadorial talks with the United States in Warsaw on February 20, after a suspension of over a year.

In proposing that date, Peking issued a public call for an agreement with the United States on "principles of peaceful co-existence." One of the first foreign-policy judgments of the Nixon Administration on taking office on January 20 was how to respond in Warsaw to what remained a vague and baffling declaration.

(**The New York Times**)

[Prev. ref. 8256:CHI:B]

INDIA

SUMMARY: Republic Day Celebrations; Mr. T. Zhivkov's Visit; Nehru Award Presentation; IDA Credit Resumed; Telengana Agitation; Kerala Land Reforms.

A. **Republic Day—President's Broadcast:** The 20th anniversary of the Indian Republic was celebrated throughout the country with greater eclat than in previous years—possibly with the economy looking up and record agricultural output. It was also celebrated by Indians abroad.

In New Delhi, as usual, the Parade of the Armed forces, students and Cultural pageants from different States were impressive. For the first time on view were two surface-to-air missiles.

President's Broadcast:

In a broadcast to the Nation on the eve of Republic Day (January 25), the President, Dr. Zakir Husain drew attention to the atmosphere of "angry discontent" pervading the country and said that labour unrest, student agitations and communal and linguistic conflicts were outward symptoms of the malaise.

He urged every Indian to search his heart to see why he only thought "of all the things that have not been done for us by others, of all the things done badly by others."

Stressing the need for self-discipline, he appealed to all—students, workers in fields and factories and employees in Government and private enterprises—to bear in mind the need for self-purification and self-discipline.

Nowhere, he said, was the need for self-discipline greater than among the students. Indiscipline among students was most dangerous because the youth of today, when it took over tomorrow, might be found wanting.

He appealed to students in particular to remember that "they must, in their own interest, learn to give duty the first place in their thoughts and actions." Duty was not dumb obedience, it was an active desire to fulfil obligations and responsibilities. The performance of duty was not dependent upon or subject to the grant of rights.

Nor did the President spare those in authority. They must, whether in the Government or outside, he said, remember that in the exercise of power they were subject to the authority of the moral law.

He also took note of the lags in India's attempts to achieve the clearly defined objectives in terms of a co-operative commonwealth steering clear of the evils of both capitalism and Statism. "As we measure our advance against the goals, we find that the movement for people's co-operation has been lagging far behind". This posed a grave threat to our society.

He also spoke of the improving agricultural and economic situation and referred to the new hope in agriculture which was still there in spite of the vagaries of the Monsoon and the floods last year. "I would, however, like to caution against too much talk of an Agricultural Revolution being round the corner. There were many imponderables in the situation which had to be tackled in all their manifold aspects if we are to ensure continuing self-sufficiency."

Dr. Husain concluded by repeating his appeal for inner discipline and moral authority in every field at every level. Must they, he asked, waste so much of the nation's scant energy on work at cross-purposes? Individual, loyalty "to our people and our State" alone could give strength to our national purpose.

World Leaders' Greetings:

World leaders greeted India on her 20th Republic Day.

Queen Elizabeth and Mr. Harold Wilson (British Premier) expressed the hope that the friendly ties between Britain and India would continue to grow in strength.

In a formal message, President Ayub Khan (Pakistan) conveyed to the Government and people of India the felicitations of the Government and people of Pakistan.

In a message to Mrs. Gandhi, the Soviet Premier, Mr. A. Kosygin, expressed confidence that relations between the two countries would be developed and strengthened.

The US President, Mr. Richard Nixon, and the Soviet President, Mr. Nikolai Podgorny, in Republic Day messages to the President, Dr. Zakir Husain expressed the hope that friendship between their countries and India would grow in strength in the interest of world peace.

Among the large number of world leaders who sent their greetings were the North Viet-Namese President, Dr. Ho Chi-Minh, and the South Viet-Namese President, Mr. Nguyen Van Thieu.

President Ho wished the Indian people prosperity and happiness and hoped that the friendship between the people of India and Viet-Nam would be "further consolidated and developed day by day."

President J. B. Tito of Yugoslavia, the West German President, Dr. Heinrich Luebke, the Irish President Dr. De Valera, the Czechoslovak President, Mr. Ludvik Svoboda, Queen Juliana of the Netherlands, King Baudouin of Belgium, the Singapore President, Mr. Inche Yusof Bin Ishak, and the Polish President, Mr. Marian Spychalski, were among the Heads of States who sent messages to President Zakir Husain.

National Awards:

Eighty-nine scientists, educationists, administrators, industrialists, journalists, film producers and artists were honoured by the President with national awards on Republic Day.

The Nobel Prize winner, Dr. Hargobind Khorana, is among the five on whom the **Padma Vibhushan,** the second highest award for "exceptional and distinguished service in any field" was conferred.

For the third year in succession, the highest award **Bharat Ratna** was not conferred on anyone this year. The late Mr. Lal Bahadur Shastri was given this award posthumously in 1966.

Recipients of **Padma Bhushan** included Mr. Prithvi Raj Kapoor, Dr. V. K. Narayana Menon, (former Director-General of All-India Radio and noted musicologist) and Mr. Naval Tata, industrialist.

A number of social workers and noted physicians and surgeons were among those who were honoured with **Padma Shri.**

Mr. Shri Chand Chhabra, President of the New Delhi Municipal Committee, who has played a leading role in giving a new look to the Capital, headed the list of recipients of **Padma Shri** from Delhi. Mrs. Indrani Rehman, (dancer) was also honoured.

The following are the Awards:

Padma Vibhushan: Mr. Dattatraya Shridhar Joshi, former Cabinet Secretary; Mr. Ghananand Pande, former Chairman of the Railway Board and Vice-Chancellor, Roorkee University; Dr. Hargobind Khorana, Professor of Life Sciences, Institution of Enzyme Research, University of Wisconsin (USA); Dr. Mohan Sinha Mehta, Educationist, Udaipur; Mr. Rajeshwar Dayal, former Foreign Secretary.

Padma Bhushan: Dr. Adinath Lahiri, Director, Central Fuel Research Institute, Dhanbad; Mr. Gobind Behari Lal, Journalist, San Francisco, USA; Professor Haroon Khan Sherwani, Educationist, Hyderabad; Mr. Kasturbhai Lalbhai, Industrialist, Ahmedabad; Mr. Kasturiswami Sreenivasan, textile technologist, Coimbatore; Mrs. Kesarbai Kerkar, musician, Poona; Mr. Keshav Prasad Goenka, industrialist, Calcutta; Dr. Keshavrao Krishnarao Datey, physician, Bombay; Mr. Krishna Chander, writer, Bombay; Mr. Krishna Ramchand Kriplani, Secretary, Sahitya Akademi, New Delhi; Lata Mangeshkar, musician, Bombay; Professor Mohanlal Lalloobhai Dantwala, economist, Bombay; Dr. Narayan Bhikaji Parulekar, Editor-in-Chief, Daily Sakal, Poona; Mr. Naval Hormusji Tata, Industrialist, Bombay; Dr. Niharranjan Ray, Director, Indian Institute of Advanced Studies, Simla; Dr. Prafulla Kumar Sen, surgeon, Bombay; Mr. Prithvi Raj Kapoor, actor, Bombay; Mr. Rahim-ud-Din Khan Daar, Musician, New Delhi; Mr. Raja Rao, writer, Texas, USA; Mr. Raman Madhavan Nair, Editor, The Tribune, Ambala Cantt.; Mr. Samad Yar Khan "Saghar Nizami", Urdu Poet, New Delhi; Mr. Semmangudi Srinivasa Iyer, musician, Madras; Mr. Subramaniam Sreenivasan Vasan, film producer, Madras; Dr. Tarasankar Bandopadhyaya, Bengali novelist, Calcutta; Dr. Vallabhadas Vithaldas Shah, physician, Bombay; Dr. Vatakke Kurupath Narayana Menon, musicologist, Bombay; Mr. Vithalbhai Jhaveri, film producer, Bombay; Mr. Vithal Laxman Phadke alias Mamasaheb Phadke, social worker, Ahmedabad; Mr. Yeshwant Dinkar Pendharkar, poet, Poona.

Padma Shri: Dr. Amrik Singh Cheema, Agriculture Commissioner to the Government of India; Mrs. Amrita Pritam, Poetess, New Delhi; Dr. Kaviraj Ashutosh Majumdar, Ayurvedic physician, New Delhi; Mr. Balraj Sahni, film actor, Bombay; Dr. Bal Krishan Anand, Professor, Physiology and Vice-Dean, All-India Institute of Medical Sciences, New Delhi; Colonel Bishan Lal Raina, Director, Central Family Planning Institute, New Delhi; Mr. Brahm Nath Datta "Qasir", Urdu writer and poet, Amritstar; Mrs. Byrappa Saroja Devi, film actress, Madras; Mr. Chandrapant Gulabrao Borde, cricketer, Poona; Mr. David Abraham, film actor, Bombay; Mr. Dhyan Pal Singh, Vice-Chancellor, Agriculture University, Pantnagar; Mr. Gajanan Digambar Madgulkar, poet and play-wright, Poona; Mr. Gopaldas Neogi Chowdhury, social worker, Murshidabad; Mr. Harikisandas Bhagwandas Kapadia, social worker, Bombay; Mr. Holenarsipuram Govindrao Srinivasa Murthy, Director, Thumba Equatorial Rocket Launching Station, Trivandrum: Mrs. Indrani Rehman, dancer, New Delhi; Mr. Kalyan Singh Gupta, social worker, New Delhi; Mr. Kambali Shaikabdulkhader Gulamohideen Rowther Haia Shareeff, industrialist, Madras; Khwaja Ahmad Abbas, film producer, Bombay; Dr. Krishna Gopal Saxena, homoeopath, New Delhi; Mr. Kumar Nandan Prasad, Ministry of Home Affairs; Mrs. Lila Indrasen, social worker, Pondicherry; Mr. Mahendra Nath Kapur, Principal, Modern School, New Delhi; Mr. Mangru Ganu Uikev, social worker, Nainpur (Mandba), Madhya Pradesh; Dr. Nand Kishore Verma, surgeon, Gangtok, Sikkim; Professor Narayan Sridhar Bendre, painter, Baroda; Dr. Nautam Bhagwanlal Bhatt, Director, Solid State Physics Laboratory, Delhi; Mr. Nedurumalli Balkrishna Reddi, social worker, Vakada, (Nellore), Andhra Pradesh; Dr. Pandurang Rajaram Ghogrey, social worker, Dhutia, Maharashtra; Mr. Pandurang Vasudeo Gadgil, writer, Bombay; Mrs. Rajam Ramaswami, social worker, Madras; Dr. Ram Kumar Caroli, Physician, Willingdon Hospital, New Delhi; Mr. Ram Lal Rajgarhia, industrialist, Calcutta; Dr. Ramakrishna Ananthakrishnan, Director Institute of Tropical Meteorology, Poona; Dr. Revanasiddappagouda Basappagouda Patil , surgeon, Hubli, Mysore Mrs. Roshan Phooken, social worker, Gauhati; Mr. Sachin Dev Burman, music director, Bombay; Mr. Sadashiva Rath Sharma, research scholar, Puri, Orissa; Mrs. Savitri Sahni, educationist, Lucknow; Mr. Shyam Lal Gupta, philanthropist, Delhi; Mr. Singannachar Narasimha Swamy, artist, Mysore; Mr. Shri Chand Chhabra, President of New Delhi Municipal Committee; Mr. Srinivasa Natarajan, educationist, Madras; Mr. Subodh Chandra Dev, Deputy Commissioner, Mokokchung; Mr. Sudhir Krishna Mukherji, Secretary, Border Roads Development Board; Mr. Sukhdev, producer of documentary films, Bombay; Mr. Surendra Nath Ghosh, Editor, The Pioneer, Lucknow; Dr. Tarapada Basu, journalist, London, UK; Dr. Teralundur Venkatarama Mahalingam, historian and archaeologist, Madras; Mr. Thiagarajan Muthian, Director, Technical Education, Madras; Professor Tirukannapuram Vardachari Ramanujam, social worker, Bombay; Mr. Upendra Maharathi, Director, Institute of Industrial Designs, Patna; Mr. Vairamuthu Pillai Subhiah Pillai, Tamil writer, Madras; Mr. Vilimiri Ramalingaswami, Professor of Pathology, All-India Institute of Medical Science, New Delhi; Mr. Yogeshwar Dayal, social worker, Delhi.

Param Vishisht Seva Medal Awards: The President approved the award of **Param Vishisht Seva Medal** for distinguished service of the most exceptional order to the following nine officers: Lt.-Gen. Apparanda Chengappa Iyappa (Retd), Lt.-Gen. Bidyapati Bhattachariya, Lt.-Gen. Gopal Gurunath Bewoor, Lt.-Gen. Rajinder Singh Paintal, Maj-Gen. Panavolli Thomas Joseph, AVSM, Maj-Gen. Inderjit Singh Gill MC, Rear-Admiral Kesavapillai Ramakrishnan Nair, Air Vice-Marshal Hari Chand Dewan and Air Vice-Marshal Teja Singh Virk.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 8167:INI:A] ,

B. **Mr. T. Zhivkov's Visit:** The Prime Minister of Bulgaria, Mr. Todor Zhivkov, accompanied by Mrs. Zhivkov, paid a State Visit to India from January 22 to 27. They witnessed the Republic Day Parade in New Delhi on January 26.

At the end of his visit on January 27, a joint **communique** was issued by Mrs. Indira Gandhi and Mr. T. Zhivkov in which Mr. Zhivkov expressed appreciation of India's efforts to normalize relations with Pakistan on the basis of the Tashkent Declaration and "hoped that India and Pakistan will resolve all their differences through direct bilateral discussions."

It said that the Prime Ministers of India and Bulgaria considered the cessation of the bombing of North Viet-Nam and the commencement of negotiations in Paris as positive, though initial, steps in the political solution of the Viet-Nam problem by peaceful means.

They expressed the hope that the people of Viet-Nam would soon find it possible to decide their own future in peace and without interference from any side.

The two Prime Ministers were of the opinion that the Arab-Israeli situation continued to be fraught with danger to world peace, and expressed their grave concern at the continuing delay in resolving this problem.

They considered that it was necessary for all parties concerned to cooperate fully in reaching a peaceful settlement in accordance with the Security Council resolution of November 22, 1967.

They re-iterated their conviction that peace could not be maintained unless the aggressor was denied the fruits of his military conquests.

(**The Times of India**, New Delhi)

[Prev. ref. 8627:INI:D]

C. **Nehru Award Presentation:** The Jawaharlal Nehru Award for International Understanding for 1966, posthumously conferred on the American Negro civil rights leader, Rev. Dr. Martin Luther King, was presented to Mrs. Coretta King (wife of Dr. King) by the President, Dr. Zakir Husain in New Delhi on January 24.

[The award was instituted by the Government of India in 1965.]

Mrs. King accepted the award "as a tribute to a well-fought fight in progress" of Negroes, activists among whom Dr. King fondly referred to as his "ground crew."

The citation said that Dr. King's years in the land were only 39. "In that brief span of time, briefer than the flutter of a bird's wing when measured against eternity, he accomplished a moral and social revolution of Himalayan dimensions and significance, by not only taking the people of his race, the American Negroes, far up the road to equality but, even more important, by arousing the moral conscience of a whole continent....

"Dr. Martin Luther King's immediate cause was the American Negro, but his appeal and plea were directed to all men everywhere. He had said 'Sooner or later all the people of the world will have to discover a way to live together in peace and thereby have to discover a way to life together in peace and thereby transform this pending cosmic elegy into a creative psalm of brotherhood... Non-violence, the answer to the Negroes' need, may become the answer to the most desperate need of all humanity."

Presenting the award, the President, Dr. Zakir Husain pointed out that though principally identified with the struggle of his own people—even as Mahatma Gandhi was—Dr. Martin Luther King had a heart and mind which reached far beyond the bounds of race, colour or creed.

Dr. Husain added: "He had an acute social consciousness and it was natural that with his dedication to non-violence, he should be passionately attached to the cause of peace. He died, like Mahatma Gandhi, a symbol of faith in peace and goodwill amid rising fires of hate and violence."

The Prime Minister, Mrs. Indira Gandhi, pointed out that the award was the "highest tribute our nation can bestow on work for understanding and brotherhood among men." It was named after a man who, all his life, laboured passionately for freedom, for justice and for peace in India and throughout the world. Dr. Martin Luther King's struggle was for these same values. He paid for his ideals with his blood, forging a new bond among the brave and the conscientious of all races and all nations.

In reply, Mrs. King said: "To the great task ahead, I humbly re-dedicate my life with a song of praise upon my lips and a prayer of Thanksgiving in my heart. I quote one of our great Black poets, James Weldon Johnson:

"God of our weary years,
God of our silent tears,
Thou who hast brought us thus far on the way,
Thou who hast by Thy Might led us into Thy Light,
Keep us forever in the path, we pray,
Let our feet not stray from the places, our God, where we met Thee;
Lest our hearts, drunk with the wine of the world we forget Thee.
Shadowed beneath Thy Hand, may we forever stand,
True to our God, True to our Native Land."

Postage Stamp In Honour Of Dr. King: A special postage stamp in honour of Dr. Martin Luther King, was released in New Delhi on January 25.

After receiving the first set of stamps from the Central Minister for Communications, Dr. Ram Subhag Singh, Mrs. King said that *India was honouring not only her* husband but also all black people of America and the movement which Dr. King led for non-violent social change.

Noting that the stamp would be sold not only in India but all over the world, Mrs. King said: "May the stamp remind mankind everywhere of the man who stood for noble ideas of justice, equality, peace and brotherhood so that a new humanity can be borne.

"The stamp may also carry throughout the world the message of goodwill and love, and encourage all humanity to fight for the reduction of poverty and advancement of civilization."

(**The Statesman** and **The Times of India,** New Delhi)

[Prev. ref. 7684:INI:A, 8385:INI:D]

D. Trade Pact With East Germany: India and East Germany concluded a three-year Trade Agreement in New Delhi on January 23 envisaging a progressive increase in the flow of goods either way.

In the current year, the two countries expect to have a total trade turn-over of about Rs. 70 crores.

(**The Times of India,** New Delhi)

[Prev. ref. 8048:INI:C]

E. Trade With Czechoslovakia: By an annual trade plan for 1969 concluded with India in New Delhi on January 22, Czechoslovakia agreed to supply larger quantities of newsprint, agricultural tractors, high pressure casings and tubes for oil exploration, tools and alloyed steel, rolled steel products and chemicals in the current year.

The annual trade plan also provides for Czech supply of spares and components essential for maintaining production in various industrial units set up with assistance from Czechoslovakia.

The trade plan for 1969 envisages a total trade turn-over of Rs. 80 crores both ways.

Trade between India and Czechoslovakia has grown from Rs. 3 crores in 1955 to Rs. 58 crores in 1967 and to Rs. 49 crores in the first nine months of 1968.

(**The Times of India,** New Delhi)

[Prev. ref. 8075:INI:G]

F. IDA Credit Resumed: The International Development Association (IDA) announced in Washington on January 15 a $125 million credit to India.

The announcement said that the credit "will provide the Government of India with the foreign exchange to cover imported production materials and components required by her manufacturers of priority capital goods and agricultural chemicals."

(**The New York Times**)

[Prev. ref. 8621:AOA:G, 8708:INI:H]

G. "Twin Cities" Cultural Agreement With Russia: The Indo-Soviet Cultural Society signed a Cultural Agreement with the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries and the Society for Soviet-Indian Cultural Relations on January 18 for the exchange of social, cultural, educational, scientific and economic delegations.

The Agreement provides for developfent of all-round relations, strengthening of friendship and cooperation between twin cities of USSR and India, like Moscow with Delhi. Leningrad with Bombay, Tashkent with Patiala, Volgograd with Madras, and Ivanovo with Ahmedabad.

The following cities will also establish contacts with each other: Minsk with Bangalore, Odessa with Calcutta, Erevan with Hyderabad and Alma-Ata with Trivandrum.

(**The Times of India,** Bombay)

[Prev. ref. 8398:INI:E]

H. Diplomatic Appointments: It was announced on January 15 that Mr. Gurbachan Singh, Counsellor in the Embassy of India in Paris, had been appointed India's Ambassador to Morocco in succession to Mr. Maharajkrishna Rasgotra.

It was announced in New Delhi on January 23 that Mr. Lakshmi Narayan Ray, High Commissioner-designate of India to Trinidad and Tobago, would be concurrently accredited as High Commissioner to Barbados with residence at Port of Spain.

It was announced in New Delhi on January 25 that Mr. Anwar Nashashibi had been appointed new Ambassador of Jordan to India.

It was announced in New Delhi on January 28 that Mr. Avtar Singh, at present India's High Commissioner to Mauritius, had been appointed High Commissioner to Kenya in succession to Mr. Prem Bhatia.

(**The Hindustan Times** and **The Statesman,** New Delhi)

[Prev. ref. 7951:INI:D, 8474:INI:R, 8729:INI:I]

I. Telengana Agitation: There were demonstrations by Telangana students in December 1968 and January 1969 in Hyderabad and some others parts of the Telengana area of Andhra Pradesh— one section demanding the creation of a separate Telengana State and another section demanding greater share of Government jobs for the people of Telengana. There were clashes between the two sections of students. The police used lathis and tear-gas to disperse the demonstrators.

On January 18 and 19, the Andhra Pradesh Chief Minister, Mr. K. Brahmananda Reddy, convened a meeting of leaders of all political parties in the State at which agreement was reached on the students' demands and the implementation of safeguards provided for Telengana at the time of the formation of Andhra Pradesh in 1956.

Announcing the Agreement, Mr. Brahmananda Reddy said that he was happy that the leaders had supported the several steps contemplated in regard to the implementation of Telengana safeguards. "This clearly shows," he said, "that in regard to the need to achieve full integration of Andhra Pradesh there is perfect unanimity. In view of this I appeal to all concerned to call off their agitation and help maintain a peaceful and cordial atmosphere."

The Chief Minister, his colleagues and nominees of the Congress Party, Swatantra, CPI, CPI(M), SSP, Majlis, Jana Sangh, Independents and others, in an agreed statement, reiterated their decision to do nothing "which would in any way lead to fissiparous tendencies in our society."

The Agreement envisaged the appointment of a senior officer of the rank of an Accountant-General by the Comptroller and Auditor-General of India to decide the quantum of Telengana surpluses before the end of February 1969 and the relieving of all non-domicile persons from posts in Telengana and providing jobs for them in the rest of the State.

The posts rendered vacant by relieving all non-domicile persons would be filled by "qualified candidates" possessing domicile qualifications or would be left unfilled till qualified candidates became available. Those non-domicile persons would be provided employment in the Andhra region without break in service and by creating supernumerary posts if necessary. Two senior officers would be appointed to implement this decision "immediately and effectively."

The Telengana surplus would be determined subject to the principles that (1) the existing method of allocation of expenditure and receipts to either region would continue; (2) that Telengana surpluses for each year would be computed by adding to the net revenue surplus of Telengana region of that year, the difference between one-third of the total expenditure of the State in that year and the actual capital expenditure in the Telengana region in that year; (3) that all statutory and other boards except the State Electricity Board were to be treated as if they were State-wide Government departments for purposes of computing Telengana surpluses; and, (4) that the Industrial Trust Fund would continue to be utilized as before.

The Telengana surpluses so determined would be fully utilised for development of Telengana region during the next five years. A half-yearly review of expenditure in the Telengana region would be undertaken by the Government and copies of such review would be furnished to the regional committees and members of the legislature.

Another important point of agreement was that steps would be taken to afford better educational opportunities to students "irrespective of region" in the capital city of Hyderabad with effect from the ensuing academic year.

The Government would immediately file an appeal in the High Court against its judgment regarding the non-applicability of the Andhra Pradesh Public Employment Act and Rules to Andhra Pradesh State Electricity Board. Simultaneously, the State Government would move the Government of India to make the provisions of the above Act applicable to all statutory or other corporations financed by the Government for purposes of employment.

While the State Government would follow the integrated common gradation lists of Andhra and Telengana approved by the Government of India in all other cases, the provisional lists being followed by the State Government would continue to be followed, pending approval of the Centre.

Agitation:

The police fired on pro-Telengana demonstrators in Sadasivpat in Medak district on January 24.

Five students were injured in the firing which became necessary when a 1,000 strong student crowd "gheraoed" a sub-inspector and became violent. As a sharp reation to the pro-Telengana agitation, students of Andhra and Sri Venkateshwara Universities went on strike to observe "Andhra Rights Protection Day" on January 24.

Students also abstained from classes in Visakhapatnam, West Godavari, Guntur, Anantapur and other districts and took out processions decrying the separate Telengana agitation.

Agitation Suspended:

The Action Committee of the Osmania University students demanding a separate Telengana announced its decision on January 25 to "suspend" its ten-day-old strike and to have hunger-strikes by students in relays.

Andhra Students' Counter-demand:

While the nine-day-old strike of the "safeguards" faction in the Osmania University Students Union was called off, students of Andhra and Sri Venkateswara Universities called for an indefinite strike from Feb. 10 to "protect the interests of Andhra."

The Joint Action Council set up by the students of the two universities also called for the observance of "Andhra Rights Protection Day" on January 24.

But the extremist "Separate Telengana" faction of Osmania University re-iterated its decision to continue the agitation.

One person from Andhra region was killed and two were wounded on January 27 when the police fired to disperse an 800-strong mob demonstrating in front of the Nagarjunasagar police station in Nalgonda district in the Telengana region. Thirteen members of the police force were injured by stones hurled by the mob.

On January 29, the Army was called out in Vijayawada, Hyderabad Warangal, Guntur and Kodad to help civil authorities maintain law and order.

Vijayawada, which observed a strike in protest against the alleged ill-treatment of Andhras in the Telengana region, remained tense throughout the day.

A ban on assemblies, meetings and processions was ordered in Vijayawada where tension mounted as over 100 Andhra families arrived from Warangal. Mahaboobabad, Khammam and Kothagudem in the Telengana region.

Three persons were reported killed when the police fired in Kodad, a small village in the Telengana border area on the Hyderabad-Vijayawada trunk road, to chase away some lorry loads of people from Vijayawada who attempted to enter the village, allegedly to cause damage.

Official reports said the police failed to disperse the mob by lathi-charge. Two persons were said to have been injured in the police firing.

The Collector of Krishna district announced that the district authorities had set in motion a machinery to give necessary assistance like food and transport to families arriving at Vijayawada from Telengana.

Tension was sparked by the death on January 28 of Mr. Rangacharyulu, Deputy Surveyor of the Survey Department, as a result of extensive burns sustained by him at Nagaland in the Telengana region. Miscreants had poured petrol on Mr. Rangacharyulu and set fire to his clothes.

Mr. K. Brahmananda Reddy Rules Out Separate Telengana:

Addressing college students in Vijayawada on January 24, the Andhra Chief Minister, Mr. K. Brahmananda Reddy, ruled out the idea of a Telengana State which, he said, could not be viable.

He referred to the "Gentleman's Agreement" entered into at the time of the formation of Andhra

Pradesh and said he was merely honouring it. He appealed to students to desist from agitation.

(**The Hindu**, Madras and **The Times of India**, Bombay)

[Prev. ref. 712:INI:U]

J. Regional Imbalances In Jammu & Kashmir—Gajendragadkar Commission's Report: The Gajendragadkar Commission, appointed on November 6, 1967 to inquire into complaints of regional imbalances in Jammu, Kashmir and Ladakh, in its report submitted on December 6, 1968 suggested adoption of a convention by the Jammu and Kashmir Cabinet of appointing a Deputy Chief Minister belonging to a region other than that of the Chief Minister.

The report said that the number of Cabinet Ministers belonging to the Valley and the Jammu region should be equal. It also suggested appointment of a full-fledged Cabinet Minister belonging to Ladakh.

It recommended establishment of a statutory State Development Board and regional development boards for the Jammu, Kashmir and Ladakh regions to supervise implementation of Plan programmes.

It said that the demand for regional autonomy could not be accepted. It noted with satisfaction that no party or individual with the exception of one had suggested division of the State or creation of a sub-State within the State. It did not consider it advisable to recommend abrogation of Article 370 of the Indian Constitution guaranteeing a special status to the State.

It recommended two full-fledged universities for Jammu and Srinagar and provision of law classes in the proposed Jammu University. A new medical college in Jammu was also suggested as also a regional engineering college for Jammu, if need arose.

Special recommendations were made for the development of Ladakh district: two colleges in both tehsils, adequate transport and arrangements for travellers at the Kargil halting station **en route** to Leh, power supply to Leh, Kargil and other important places.

The different regions, it added, should have adequate representation in the Development Board. The Chief Minister or the Planning Minister should head the regional boards which should consist of legislators of the region, economists, experts and the officials concerned.

It said that from the evidence before it, "we do not think we would be justified in concluding that the State Government has deliberately discriminated against either Jammu or Ladakh."

[The Commission's terms of reference were, among others, to examine generally and comprehensively complaints of regional imbalances in development programmes and recruitment policies, examine causes that led to irritations and tensions in the different regions of the State and to recommend remedial measures. It received 93 memoranda and examined about 100 representatives at Srinagar and Jammu.]

Share Of Government Jobs:

The Gajendragadkar Commission in its report released on January 19 held that any recommendation for fixing quotas for recruitment to Government service on a purely regional basis would be **ultra vires** the Constitution which was applicable to Kashmir State.

A study of the Commission's report showed that it had rejected outright the Government's rule that 50 per cent of posts should be filled by Muslims from the entire State and 40 per cent by Hindus from Jammu.

The Commission was asked to suggest measures for giving an equitable share in Government employment to various regions and communities, paying due regard to the claims of scheduled castes and other economically, educationally and socially backward communities, castes and groups.

After rejecting both communal and regional yardsticks for the distribution of jobs, the Commission conceded that the problem of identifying backward classes was not easy. It, therefore, suggested the appointment of a high-power Commission to determine which class of citizens was backward.

The Commission noted that the Muslim share was appreciably less than what it should be on the basis of the population. The Jammu region's share was only 36.1 per cent, though it constituted 44.2 per cent, of the State's population. The annual in-take of Buddhists from Ladakh in Government service had also fallen. The share of Sikhs was more than what it should be on the basis of population. The report was silent on the representation of Kashmiri Pandits.

Special Status Of Kashmir To Be Retained:

The Central Home Minister, Mr. Y. B. Chavan, asserted in the Lok Sabha on December 6, 1968 that it was not in the interest of anybody to abrogate at the present stage Article 370 of the Constitution which conferred a special status on Kashmir State.

Intervening to explain the Government's stand on a resolution moved by Mr. A. B. Vajpayee (JS), which sought to end "the present anomalous status of Jammu and Kashmir State." Mr. Chavan urged that one had to be realistic and not merely sentimental in such matters. "I have no doubt," he said, "that the destinies of India and Kashmir are identical, but, at the same time, let us not be unrealistic and ask for the abrogation of Article 370." That Article served as a bridge between the Indian Constitution and the State of Kashmir. "Do we want to break that bridge?" It was through the instrumentality of that Article that various Acts of the Indian Union had been extended to that State.

The Home Minister conceded that there were certain psychological problems and the process of integration—not only in regard to Kashmir but also in respect of other parts of the country—was not yet complete. That called for patient work over a long time with understanding and giving others a sense of participation.

(**The Times of India**, New Delhi)

[Prev. ref. 6874:INI:H]

K. Kerala Land Reforms Bill: A major point of friction between the Government of India and the Kerala Government was resolved with the decision of the Central Government on January 24 to give concurrence to the controversial Kerala Land Reforms (Amendment) Bill.

The Bill had run into difficulty because of strong objections raised by the Commerce Ministry to some of its clauses relating to plantation areas. The State Government had agreed to slightly modify the Bill to meet these objections.

The Kerala Revenue Minister, Mrs. Gowri Thomas, specially visited New Delhi to dispel the misgivings of the Central Government about the legislation now before a Select Committee of the State Assembly. She had detailed talks with the Central Home Minister, Mr. Y. B. Chavan and met representatives of the Commerce Ministry. The discussions helped to clarify the position of the Kerala Government and resulted in an agreement.

The Kerala Land Reforms (Amendment) Bill was introduced in the State Legislature on September 25, 1968. Although the Planning Commission had approved the

Bill the concurrence was withheld because of opposition from the Commerce Ministry.

The Bill seeks to fix for each family a ceiling of 12 standard acres of agricultural land as against 15 standard acres previously. The ceiling for individuals is 1-½ standard acres, while there is no ceiling on plantations. Areas under pepper and cashewnut cultivation are being brought within the purview of the Bill.

The Commerce Ministry had insisted that 20 per cent of the agricultural areas within the plantation should be reserved for expansion of these plantations. It has now been agreed that if there is any agricultural land within a plantation and if it is required for expansion, the matter should be referred to the State Land Board. If the Board decides that the area should go to the plantation, then the tenants can be evicted from there.

(**The Hindu**, Madras and **The Times of India**, New Delhi)

[Prev. ref. 7758:INI:O, 7875:INI:V]

L. Haryana Assembly—Governor's Address: Addressing the opening session of the Haryana Legislative Assembly in Chandigarh on January 28, the Governor of the State, Mr. B. N. Chakravarty, said that a scheme approved by the International Development Association (IDA) for flood control in the Ghaggar and Western Yamuna tracts would be undertaken during the Fourth Plan period.

The provision for flood control measures during the current year he said, had been increased from Rs. 82,50,000 to Rs. 1,46,50,000. Schemes were also being prepared to impound flood waters for use for irrigation purposes.

Damage to crops and loss of property due to floods during the last Monsoon had been estimated at Rs. 6.88 crores. The entire Kharif crop was seriously affected by the drought which followed the floods.

The Government's price support policy, which had contributed in part to the phenomenal increase in food production, especially of wheat, would be continued. In all 2,08,000 tonnes of wheat was purchased—40,000 tonnes for the State reserve and the rest for the Central pool. About 1,11,000 tonnes of rice had been procured out of the target of 1,50,000.

In the industrial field, the salient feature was the growth of an industrial complex around Delhi at Faridabad, Ballabgarh, Bahadurgarh and Sonepat.

About 120 new buses would be added to the existing fleet of 693 buses of the Haryana Roadways.

Tourist centres were proposed to be set up near Badkhal Lake, Suraj Kund, Sohna, Pinjore, Tajewala, Hathini Kund and Kalesar.

The milk plant in the public sector at Jind was expected to be commissioned by the end of November, 1969 at an estimated cost of Rs. 60,00,000. An ambitious road construction programme under the village road co-operative scheme had been started to meet the demands of rural areas.

(**The Times of India**, New Delhi)

[Prev. ref. 8348:INI:A]

M. Hindi Becomes Haryana's Official Language: It was announced in Chandigarh on January 23 that Hindi would become the official language of Haryana from January 26.

The Languages Department, it was stated, had taken various steps for speeding up the replacement of English at various levels. Centres had been established throughout the State to impart training in Hindi shorthand and typewriting to employees.

(**The Times of India**, New Delhi)

[Prev. ref. 7776:INI:P]

N. Mr. K. Subba Rao Pleads For Retention Of English: Addressing the Non-Hindi States' Conference in Coimbatore on January 26, the former Chief Justice of India, Mr. K. Subba Rao, said that the English language should continue to be an official language along with Hindi till such time as all States, through a referendum separately held, agreed to give up English.

He demanded that the Official Language Act of 1963, as amended by the Act of 1968, be amended again by introducing a clear provision that English should also continue till such time as all States agreed to do away with it.

He wanted both English and the regional languages as the language of the administration. The English language should be included in the VIII Schedule of the Constitution as one of the languages of the country. The regional language should be the sole medium of instruction in schools excepting for science subjects. English should be made a compulsory subject of serious study from the beginning of the secondary school stage.

He suggested the introduction of the three-language formula in all educational institutions. Even if the regional language should replace English as the medium of instruction, English should be taught in colleges as a special subject up to the completion of the university course.

(**The Hindu**, Madras)

[Prev. ref. 8133:INI:A]

O. New Pay Structure For Gujarat State Employees: The Gujarat Chief Minister, Mr. Hitendra Desai, announced in Ahmedabad on January 23 that nearly 127,000 Gujarat Government employees would get an increase ranging from Rs. 6 to Rs. 78 following the acceptance by the State Government of most of the recommendations of the Pay Commission.

The benefit, he said, would also be available to nearly 1,00,000 teachers and 32,000 employees of panchayats.

The new pay structure would be brought into force from June 1, 1967.

The additional burden on the State exchequer following the increase was likely to be of about Rs. 6 crores in the initial stages. It would rise to Rs. 8.28 crores ultimately. In the Fourth Plan period the burden would be about Rs. 40.84 crores.

(**The Times of India**, Bombay)

[Prev. ref. 8481:INI:I]

P. More DA For Haryana State Employees: The Haryana Government revised on January 22 the pay-scale of more than 50,000 employees following the acceptance of the recommendations of the Pay Revision Committee.

Announcing the new scales at a news conference, the Chief Minister, Mr. Bansi Lal, said that the Government had accepted in full the recommendations of the Pay Committee.

He said that the new grades would cost the exchequer an additional Rs. 2 crores a year and be effective from February 1, 1969.

All categories of Government employees, except teachers and police personnel who had already been given enhanced pay, would benefit from the revision. The number of scales had been reduced from 500 to 100.

(**The Times of India**, New Delhi)

[Prev. ref. 8147:INI:H]

Q. More DA For Andhra State Employees: The Andhra Pradesh Government sanctioned on January 18 an additional dearness allowance to its employees with effect from February 1, 1969, to cover the ten-point rise in the cost of living index, as was done by the Central Government. The additional expenditure involved in this is Rs. 4.2 crores.

The DA rise ranges from Rs. 6 for those drawing below Rs. 110 to Rs. 11 to those drawing between Rs. 400 and 500. The village officers will get Rs. 1.50 more. Fifty per cent of the additional DA will be paid in cash and the remaining credited to the Employees' Provident Fund.

The increase in DA will apply to all categories of employees, who were covered by the previous rise in dearness allowance.

The last increase in DA was made in June, 1968 involving an expenditure of Rs. 4.2 crores. There was also an increase of DA in January, 1968, which resulted in an additional expenditure of Rs. 8.4 crores.

(The Hindu, Madras)

[Prev. ref. 8402:INI:V]

R. Three Extremist Communist Groups Unite: It was reported from Calicut on January 18 that the three extremist Communist groups in Kerala, which had so far been "operating" separately, had united into a single group.

The State-level conference of the revolutionaries at Punnappara in Alleppey district on January 11 and 12, it was said, had appointed a State co-ordination committee with Mr. K. P. R. Gopalan, a veteran Communist, as its convener.

(The Hindu, Madras)

[Prev. ref. 8684:INI:E]

S. Corruption Charges Against Orissa Ministers — Khanna Commission's Findings: The one-man Commission of Mr. H. R. Khanna, a Judge of the Delhi High Court, appointed to probe into charges which included corruption, misappropriation and personal gain against those who held office in the Congress administration in Orissa between 1961 and 1967, has found that 12 charges of administrative improprieties and abuse of office have been established against two former Chief Ministers, Mr. Biju Patnaik and Mr. Biren Mitra, and a former Minister, Mr. Harihar Singh Mardaraj.

Against the other 12 Ministers and Deputy Ministers in the State Cabinets between 1961 and 1967, the Commission found "nothing questionable in the matter of their conduct."

The Commission's report itself was not released. Only a statement from the Chief Minister's Secretariat on the report was distributed to newsmen by the Home Secretary, Mr. B. B. Rath on January 17. He declined to be drawn into a discussion.

The statement said that the report would be placed before the Cabinet for deciding the follow-up action and only thereafter it was evident that 58 of the 70 counts enumerated in the notification and affirmed through affidavits against the former Ministers had fallen through. The commission found there was nothing questionable "in the matter of all other charges."

In issuing the statement (which was more or less a summary of Mr. Khanna's findings), the Chief Minister's Secretariat has ignored Mr. Biju Patnaik's demand on January 16 that the report should be released **in toto** to the Press and not a summary as the Government being a party its summary might not be impartial. Mr. Patnaik had warned that such a summary might give rise to a cause of action against the Government.

Mr. Justice Khanna, after analysing exhaustively all aspects of the sale of the low-shaft furnace by Mr. Patnaik's Kalinga Industries to the State-owned Industrial Development Corporation after Mr. Patnaik became Chief Minister, came to the finding that "the position as it emerges is that Mr. Patnaik was able to get rid of and sell to the Corporation the furnace which, in his words, was uneconomical, and retain for his company the mining lease for the retention of which he was so keen that he had to file a writ petition in the High Court. Even the low-shaft furnace and the mining lease were admitted by him to be linked together."

The Commission found that tubular trusses of the value of Rs. 77,91,000 had been purchased by various Orissa Government departments from Kalinga Industries after Mr. Biju Patnaik had assumed office. The normal procedure of inviting tenders had not been followed in placing most of the orders with this firm of which Mr. Patnaik's wife was Chairman after he became Chief Minister. The demand for trusses was made to synchronize with the number of such trusses offered by Kalinga Industries on the ground that it would be necessary to stockpile them. "This course was personally approved by Mr. Biju Patnaik as Chief Minister. The whole official machinery moved in such a manner as to reveal an attitude that the offer made by Kalinga Industries had to be accepted in its entirety."

Discussing the charge of administrative and financial irregularities in the construction of Paradeep port, it observed that even according to Mr. Biju Patnaik, the normal administrative and financial rules were directed to be suspended for the completion of the project within the scheduled time. The Commission held that this was "indiscreet."

It came to the conclusion that the reduction of the premium by Mr. Patnaik from Rs. 400 to Rs. 100 per acre on land which was leased out to the Orissa Textile Mills was "an act of administrative impropriety." The fact that the pecuniary benefit derived by Mr. Patnaik and members of his family from this reduction was less than Rs. 1,000 would be a mitigating circumstance, "but it would not completely efface or undo the act of administrative impropriety."

Mr. Biju Patnaik and Mr. Harihar Singh Mardaraj, a former Minister, were found to have adopted an "unusual and abnormal procedure" to favour a contractor, Mr. G. C. Kanungo, by giving him contract work worth Rs. 10,00,000 even though his tender was the highest. There was only one finding—"pecuniary benefits by the abuse of office."

The Commission found that Mrs. Waswaramma Mitra, wife of the former Chief Minister, Mr. Biren Mitra, had an income of Rs. 69,000, in the year just prior to the assumption of office (as Deputy Commissioner) by her husband, as proprietress of Orissa Agents. It rose to Rs. 1,29,000 in the assessment year 1962-63, and to Rs. 6,99,000 in the next assessment year. The State Government's business deals with this firm mainly accounted for this increase in Mrs. Mitra's income. Most of the orders were placed with this firm without inviting tenders.

The Commission found that the Kalinga Engineering Works, another concern in which Mrs. Mitra had a financial interest, had also been favoured with orders "because of the interest of Mrs. Mitra in that concern."

It held that the appointment of Mr. Krupanidhi Naik as Government pleader was "arbitrary and a clear act of favouritism."

It found that Mr. Brundaban Naik, a former Minister, had shown favour to a firm in which he had an interest in the matter of an order for spun pipes of the value of Rs. 1,50,000. This allegation had been "proved."

The one redeeming feature in Mr. Mitra's case, it said, was that his wife had closed the trading concern Orissa Agents, before he became Chief Minister. "This gesture, however, could not efface and wipe out all that had been done in the past."

Mr. B. Patnaik's Rejoinder:

Mr. Biju Patnaik, former Chief Minister of Orissa, charged the Orissa Government on January 16 with "gross abuse of power and impropriety" in not releasing the full report of the Khanna Commission, which had inquired into corruption charges against the former Congress Ministers.

Mr. Patnaik contended that the summary of the report, as released by the State Government, gave a biased version of the Commission's findings.

At a news conference in New Delhi, he accused the Swatantra Party and its Government in the State of deliberately suppressing the release of the entire report, which, he claimed, had summarily held their attempts at character assassination to ridicule.

He pointed out that in deference to the Commission's findings, the transactions between the State Government and the companies promoted by him should be reversed and **status quo** restored. The Kalinga iron plant with its expansion project should be returned to the company on exactly the same terms and conditions on which the original plant was transferred to the Government Corporation. "The national loss of less than Rs. 1,000 as claimed by the State Government on account of some land for Orissa Textile Mills could easily be reclaimed from me, if they so desired."

He asked: "Can any one tell me how in the absence of corruption, misconduct, fraud, negligence, nepotism, illegalities, wastage and misappropriation of the funds of the State, the word 'impropriety' or 'abuse of power' becomes a guilt."

Mr. Biju Patnaik, a former Chief Minister of Orissa, claimed next day (January 17) that the Khanna Commission had absolved him and his former Cabinet colleagues of the charges of corruption, misappropriation of public funds and amassing of huge wealth by misuse of authority.

In a statement, he said that even a few odd cases of administrative imprudence, lapse or impropriety out of thousands of actions taken by the Congress Government, such as were also recorded by the Cabinet sub-committee, had not been categorized by the Commission as involving **mala fide** or moral turpitude.

He demanded the immediate publication of the report of the Commission in full so that the public would be enabled to make a proper judgment of the conduct of his Ministry.

He also demanded the publication of the report of the Mudholkar Commission which had gone into the charges made against the present State Government headed by Mr. R. N. Singh Deo.

He alleged that the publication of this report was being deliberately suppressed despite the Orissa High Court's observation that there was no bar to the discussion of the report in the State Assembly.

He claimed that the Khanna Commission had castigated the Orissa Government on various counts including proferring various flimsy charges against us. "Now that the Khanna Commission report is out, we are actively considering taking suitable legal action against the State Government and its leaders and others who have ceaselessly indulged in character-assassination of the leaders of the Congress Party in Orissa."

(**The Statesman,** Calcutta and **The Times of India,** Bombay)

[Prev. ref. 8030:INI:O]

T. Sangeet Natak Akademi Awards: The annual awards of the Sangeet Natak Akademi, announced in New Delhi on November 21, have gone to 12 artistes.

The following are the winners:

Music—Moghubai Kurdikar (Hindustani vocal) Mushtaq Ali Khan (Hindustani instrumental sitar), Alattur Srinivasa Iyer (Karnatak vocal), K. S. Narayanaswami (Karnatak instrumental, veena).

Dance—Guru Chinta Krishnamoorthy (Kuchipudi), Kamala (Bharatanatyam) and Kurichi Kunjan Panicker (Kathakali).

Drama—Mohan Rakesh (playwriting, Hindi), Badal Sarkar (playwriting, Bengali), Jaswant Thacker (acting, Gujarati) and Phani Bhushan Vidyabinode (acting, traditional theatre—jatra).

Mr. Kali Charan Patnaik, a scholar, was selected for the Akademi fellowship.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8147:INI:R]

U. Ancient Mint Found At Korkai: The existence of a 2,000-year-old mint in Korkai, the ancient capital of Pandya kings, has come to light during excavation carried out by the State Archaeological Department in the Srivaikuntam area near Tirunelveli.

Korkai was also a flourishing port town of the Pandyas.

About 150 samples including five coins, conch bangles and broken pieces of earthenware and bricks have been collected for further study.

(**The Hindu,** Madras)

[Prev. ref. 8539:INI:M]

V. Pre-Harappan Culture Discovered In Rajasthan: It was disclosed in Jaipur on January 5 that a two-phased microlithic culture of the pre-Harappan age had been discovered at Bagor in the Bhilwara district of Rajasthan.

The excavation, carried out jointly by the Deccan College Post-Graduate and Research Institute of Poona and Rajasthan's Department of Archaeology, brought to light the types of tools used by man of the food-gathering and food-producing age like blunted black blades, and obliquely-blunted blades. These tools belonged to the age when man gathered food and produced food—much older than the Harappan civilization.

An extended human burial, belonging to this phase, was also found at the site. The body was placed roughly in an east-west direction with the head towards the west. All bones except the vertebrae, pelvis and right fibulus were present. The skull had been much damaged, possibly due to the weight of the overlying debris.

As many as eight successive floors paved with undressed stones and pebbles were also found. The stones were often closely packed for making a compact floor. No floor, however, could be exposed to its full dimensions. Large quantities of animal bones and teeth, many hammerstones and mullers were found on the floors.

Other notable finds were a cylindrical vase, a cache of microliths and the lower part of the broken pot containing microliths mixed with sand.

(**The Statesman,** New Delhi)

[Prev. ref. 8323:INI:D]

IRAQ

A. Spies Hanged: On January 27, eleven persons convicted of spying for Israel by the Revolutionary Court the previous evening were hanged in Liberation Square in Baghdad.

Baghdad Radio had announced earlier that 15 Iraqis who had been spying for Israel were hanged on January 17. They included nine Jews.

It told the people to regard the day as a national holiday, and people all over the city left their work to march past the gallows in Liberation Square.

The national leadership of the ruling Arab Ba'ath Socialist Party in Iraq said that the day was "the day of the real march along the way of the long struggle".

Mr. Salah Omar al-Ali, who addressed the crowds in Liberation Square on behalf of the leadership, said that a new era was beginning with this "crushing blow" to the spies.

Today, he said, marked "the end of the era of traitors, hirelings, loiterers at the gates of embassies and insignificant Governments. Here begins the era of the struggling people who put the traitors, loiterers and hirelings in their proper place on the scaffold. What had happened today was only a small fulfilment of the great pledge made by the revolution leaders that no spy shall live on Iraqi soil after this day".

The 15 executed were: Zera Nagi Zalkha, Albert Habib Thomas, Fouad Gabbal, Jamal Sabih el Hakim, Yacoub Bourji Damerji, Daoud Haskil Barouk, Daud Ghali, Haskil Saleh Haskil, Sabah Haim, Naim Khouroudi Helale, Abdel Mohsen Jarallah, Zaki Andro Yoto, Carlos Raphael Haouche, Theodore Raphael Haouche and Abdel Hussein Mohamed el Haje.

Mr. L. Eshkol's Reaction:

Israel's Prime Minister, Mr. Levi Eshkol, bitterly accused the "world conscience" of turning a deaf ear to complaints about persecution of Jews in Arab countries.

In a solemn mourning session of the Knesset (Parliament), Mr. Eshkol referred to Iraq by its ancient Biblical name of Babylon. "The blood of the innocent martyrs of Babylon cries out to us and to the world from Iraqi soil".

He revealed that the UN Secretary-General, U Thant, as well as other personalities had appealed to the Iraqi rulers some time ago in a bid to save the lives of those hanged.

U Thant Expresses Concern:

The UN Secretary-General, U Thant, and the US Secretary of State, Mr. William Rogers, expressed their concern on January 27 at the execution of the 15 Iraqis in Baghdad on charges of spying for Israel.

In an unusually strong statement U Thant said he feared that "the repercussions from this unhappy development will impede efforts towards a peaceful settlement of the West Asian problem".

A UN spokesman said that on January 13, U Thant had called in the Iraqi Ambassador, Mr. Adnan Raouf and requested him to convey his "deep concern" to the Baghdad Government at the trial of the alleged spies.

The Secretary-General, he said, drew particular attention to the impact they would have on public opinion both inside and outside Iraq. The Secretary-General had expressed the view yesterday that "mass trials and executions are always to be deplored and are particularly abhorrent and dangerous when they are carried out in such a way as to inflame the emotions of the populace."

The Iraqi Ambassador, Mr. Adnan Raouf, spent 30 minutes in U Thant's office and a statement issued afterwards by the Iraqi delegation to UN said that Mr. Raouf had sought clarification of the Secretary-General's critical remarks about the executions.

Mr. Raouf also "expressed his surprise that a matter which is entirely an internal affair of Iraq and within the competence of the Iraqi authorities and the jurisdiction of its courts, should become the subject matter of a statement attributed to the Secretary-General", the statement said.

It added that U Thant was told "the security of the country and the safety of Iraqi citizens is the first and foremost duty of the Iraqi Government".

Mr. Raouf also complained about the implications of U Thant's remarks in the context of Israel's claim to represent citizens of other countries by virtue of their religious convictions.

Iraq protested immediately to U Thant against his observations.

US Reaction:

In Washington, Mr. Rogers said that the executions in Iraq were "a matter of deep concern" to USA.

A statement issued by the State Department said: "The spectacle of mass public executions is repugnant to the conscience of the world".

(Baghdad Observer, **The New York Times** and **The Times,** London)

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INDONESIA

A. **Lt.-Gen. Basuki Rachmat Dead:** The Minister of Home Affairs, Lt.-Gen. Basuki Rachmat, died of a heart attack in his office in Djakarta on January 9.

He was speaking at an official function when he collapsed and minutes later doctors pronounced him dead. He was given a State funeral.

He was posthumously promoted by President Suharto to the rank of four-star General and declared a National Hero for his services to the nation.

(Information Service Indonesia)

IRAN

A. **Plans For Rail Link To Moscow:** According to a report published by **Keyhan** on January 14, a meeting of the joint Iran-Soviet Transport Committee in Moscow agreed in principle in the first week of January to introduce direct travel by rail between Tehran and Moscow in the Spring of 1970.

Under a Protocol signed between Iran and the Soviet Union at the end of the meeting, both sides agreed to increase their efforts to enlarge the volume of transport between the two neighbours. Existing port facilities would be expanded and additional facilities created.

A team of Soviet experts was scheduled to arrive in Tehran in February to work out the technical details of the new rail travel scheme.

The main problem was related to the different gauges used by the Soviet railways. This problem, however, could be solved through the use of a special "adjustment" device which could vary the distance between the wheels of wagons and locomotives.

(**The Times**, London and **The Statesman**, Calcutta)

[Prev. ref. 8653:IRN:A]

B. **Development Of Southern Region—Agreement With American Consortium:** A billion-dollar project has been finalized for development of the southern parts of Iran.

An Agreement was signed in Tehran recently under which a consortium of four American companies would help implement the project.

The plan centres on a project in the area that comprises Bandar Abbas, Jask, Minab, Joroft, Bafo, Bandar Lengeh and the islands of Larak and Hangam. The area, some 45,000 square kilometres, covers the whole of south-central Iran.

Iran's Ambassador in Washington Mr. Hushang Ansari, said in a statement that "the four companies will prepare a comprehensive study for the overall development of Iran's southern region centring on the ancient port of Bandar Abbas at the entrance to the Persian Gulf. "This study, when completed, will result in the implementation of what is expected to be a $1 billion project."

The American consortium has been given 11 months during which it must "study all possibilities for the development of south-central Iran, taking into consideration studies already completed and projects that are now under way."

The Agreement stipulates that within the 11-month deadline, the combine must prepare separate feasibility reports on each field of study. These reports will be submitted to the plan organization for a final survey and will be implemented after they have been approved.

(**The Pakistan Times**, Lahore)

[Prev. ref. 7548:IRN:B, 8511:IRN:A]

IRAQ

A. **Avoidance Of Double Taxation Agreement With Egypt:** A law was published in the Official Gazette in the middle of December, 1968 ratifying the Iraq-UAR Agreement on the prevention of dual taxation and tax evasions concerning income-tax and some other forms of taxes.

As far as Iraq is concerned, this applies to the income-tax, the national defence tax, the real estate tax, farmland tax and inheritance tax.

On the UAR side, the taxes involved are the real estate tax, the tax on movable capital revenues, the tax on commercial and industrial profits, the tax on wages, salaries and bonuses, the tax on private professions, the defence tax, the national security tax and the inheritance tax.

(Baghdad Observer)

[Prev. ref. 7600:IRQ:D & E]

B. **Transit Agreement With Turkey:** A law was published in the Official Gazette on December 12, 1968 ratifying the Transit Agreement concluded between Iraq and Turkey.

The Agreement, which runs for a term of five years, renewable to an equal term, is intended to facilitate the transit of passengers and goods of one country across the other country.

It also provides for setting up a Joint Committee to supervise the proper implementation of the Agreement.

The Committee would meet alternately in Baghdad and Ankara.

(Baghdad Observer)

[Prev. ref. 8202:TUR:A, 8404:IRQ:A]

ISRAEL

A. **West Asia Settlement—US Reply To Soviet Proposal:** According to informed sources in Washington, USA had told the Soviet Union in a Note on January 15 that it favoured a simultaneous start to two-level talks on West Asia.

But, she made it plain that she still opposed the imposition of a solution by the Big Powers and believed that Washington and Moscow should intensify their talks while Israel and the Arab countries talked within a UN frame-work.

Apart from this, the Note called on the Soviet Union to help in an international bid to restrain Arab terrorist attacks and limit arms deliveries.

It criticized certain "ambiguities and contradictions" in the Soviet communication. Listing three essentials of US policy in the area, it said:

(1) Clearly-defined frontiers between Israel and the Arab States should be recognized in a contractual agreement between the opposing sides.

(2) Israel should withdraw its forces from the territories occupied after the June, 1967 war, but only partially. Israeli forces in the occupied areas should be fixed within the frame-work of direct talks with a view to aiding the mission of Dr. Jarring.

[By contrast, the Soviet Note alluded to a "package deal" which would relate the withdrawal of Israeli forces to an Arab declaration of non-aggression. The Soviet Union viewed the "package deal" as a multi-lateral document guarantee by the Security Council and the Big Powers. USA made it clear, however, that it favoured a contractual agreement between the Arab countries and Israel.]

(3) The Note proposed, according to diplomatic sources, that Sinai should be demilitarized after the retreat of Israeli troops, though there was no elaboration on this point. It also suggested that Israel should have access to all sea routes in the area and the Suez Canal.

Meanwhile, the semi-official Egyptian newspaper, **Al Ahram**, published on January 19 what it claimed was the "integral text of the American reply to the Soviet memorandum."

The US reply reportedly welcomed Soviet support for the Mission of Dr. Jarring but regretted the omission of proposals for a Peace Treaty between the Arabs and Israel.

The 12-point text of the US reply published by **Al Ahram** said:

(1) USA believed it was of prime importance to bring a halt to Palestine resistance movements which encouraged reprisal actions by the Israelis.

(2) USA considered that the Israelis and the Arab States were interpreting the UN Security Council resolution differently and both sides would be well advised to concentrate from now on upon the main issues rather than continue the debate on the right interpretation.

(3) The US Government welcomed Soviet satisfaction at some of the Secretary of State's (Mr. Dean Rusk's) proposals to the UAR Foreign Minister, Mr. Mahmoud Riad. But it pointed out that all the proposals were dependent on a settlement between the parties involved.

(4) The Note said that the Soviet Union had misunderstood the US point of view on the armistice lines. These lines, it added, were not political frontiers, but could be modified by an agreement in the transitional phase before peace.

(5) USA said that the UN Security Council resolution of November 22, 1967 called for the withdrawal of Israeli troops from "territories occupied during the conflict", not from "occupied territories".

(6) USA said it would be best for the parties concerned to reach a preliminary agreement before the Security Council resolution was applied. This would enable Dr. Jarring to prepare a definitive plan for the withdrawal of troops.

(7) USA said it was confused by the Soviet proposal that Israeli forces should withdraw before there had been a contractual agreement as this was the situation which had led to the June, 1967 war.

(8) USA said it was ready to discuss with the Soviet Union ways by which they could state their views on an accord between the opposing sides.

(9) USA said peace could only be achieved by an agreement between the two sides.

(10) USA was in favour of all measures to safeguard the rights of navigation through the Straits of Tiran.

(11) USA thought that a partial demilitarization of the Sinai desert might not guarantee peace.

(12) USA called for a limitation on armaments in the area.

Israel rejected the Soviet proposals outright.

French Proposal:

On January 17, France proposed a four-Power meeting of UN Security Council representatives (permanent members) to examine the West Asian crisis.

A French Foreign Office spokesman said in Paris that the representatives of USA, the Soviet Union, France and Britain would discuss means by which their Governments "would contribute to establishing a just and lasting peace in West Asia."

He said the four Powers should agree to promote the implementation of the UN Security Council resolution of November, 1967, which called for Israeli withdrawal from occupied territories and Arab recognition of Israel's existence. "Such an agreement by the four Powers obviously involves preliminary negotiations and discussions. Their aim should be to open the way to a settlement with which the States concerned should be closely associated."

The US State Department reacted with reservation to the French proposal.

Promising to study the French proposal, a US State Department spokesman stressed that the UN Mission of Dr. Gunnar Jarring should remain the primary vehicle for peace efforts.

Dealing individually through diplomatic channels between the Big Four Powers, he said, would provide for a more promising way to narrow the current gap.

The British Government, a Foreign Office spokesman said, was studying the French proposal and confirmed that the proposal had been handed by the French Ambassador in London, Mr. Geoffroy de Courcel to Mr. Michael Stewart, Foreign Secretary.

The procedure recommended by France, he said, corresponded in principle to the British point of view that any discussions to settle the conflict founded on the UN resolution of November 22, 1967 should be held in New York because of the special competence of the Big Four as permanent members of the Security Council.

The Soviet Union accepted the French proposal.

UAR welcomed on January 22 the French move for a "Big Four" Foreign Ministers' meeting to discuss West Asia.

The "Allon Plan" For Colonization:

On January 22, the Deputy Prime Minister of Israel, Brig.-Gen. Yigal Allon, proposed Jewish settlements in specific parts of Arab territory captured during the six-day war in June, 1967.

Brig-Gen. Allon, author of the "Allon Plan," said that Israeli villages should be established in some areas on the West Bank of the River Jordan and in the Sinai Peninsula. He also suggested a new town in the Hebron region, also on the West Bank.

Under the "Allon Plan," Israel would give up the bulk of the populated areas on the West Bank but would retain a narrow strip along the River with a chain of fortified positions on the range of hills commanding the valley.

Replying to questions, he said he favoured the establishment of what he termed "a Palestinian entity"—an autonomous Arab province on the West Bank.

Mr. R. Nixon On Situation:

Addressing his first news conference as US President in Washington on January 27, Mr. R. Nixon described the West Asian situation as "very explosive" and said it needed de-fusing.

"At this time", he said, "we need new initiatives and new leadership on the part of USA in order to cool the situation in West Asia."

He said he was open to any suggestion for cooling off the West Asian crisis because "the next explosion could very well involve a confrontation of the nuclear Powers."

Mr. Lester Pearson's View:

Canada's former Premier, Mr. Lester Pearson, said on January 23 that Israel was entitled to a guarantee of her rights to exist as a nation, but to achieve this she would have to make concessions to surrounding Arab countries.

He said the only way to assure peace in West Asia was to have the Great Powers work together in upholding this guarantee.

He warned that if USA or the Soviet Union decided to protect either side in any armed conflict, war would be inevitable.

Pakistani National Worked For An Israeli Spy Ring:

According to **The Baghdad Observer,** the official organ of the Iraqi Government, on January 21, it had been revealed in a confessional statement by the accused that a Pakistani national was involved in an Israeli spy ring along with some Arabs in one of the most sensational espionage activities in Iraq.

According to the paper, the two principal accused, Sadeq Jaffer Al-Hawi and Abdul Hadi Al-Bijari, disclosed that a Pakistani merchant, Haji Abdul Hussain Jetha, had been working with some Arabs engaged in espionage activities.

In a 15,000-word statement, they revealed that the spying and espionage net-work concentrated on obtaining military information on the position of the armed forces and the kind of arms in use.

Sadeq Jaffer Al-Hawi said that the gang carried out its work in complete confidence before the July, 1968 revolution and pointed out that a number of personalities in the Government in power gave it protection. Bijari revealed that he agreed to work with an Arab named Dumurji, Jetha of Pakistan and some others to destroy bridges, roads, communication cables and railway lines.

Jetha is being tried **in absentia.**

President G. A. Nasser On West Asia Issue—Address To UAR National Assembly:

Addressing the National Assembly in Cairo on January 20, President Gamal Abdul Nasser said that there could be no hope of a political solution to the West Asian problem "unless the enemy understands we are able to repel him".

He added: "The enemy will never give way unless we compel him to do so by force of arms. This is why we are giving priority to the consolidation of the military front."

The internal front, he claimed, had also been consolidated but "the conditions of war" had limited possibilities of change in this direction. "We will never give up a single plot of Arab territory and we will never negotiate with an enemy occupying our land".

He said that the War Minister, General Mahmoud Fawzy, would report to a closed session of the Assembly on the military situation.

He praised the Soviet military aid, without which "none of our plans for the future would have got past the stage of wishes".

He also paid tribute to Saudi Arabia, Kuwait and Libya for their financial aid under the terms of resolutions passed at the September, 1967 Khartoum "summit" conference.

Of the possibilities of a new "summit" conference, he said: "Contacts are under way with all the Arab capitals and a time will come when this conference will be an urgent necessity".

Joint Arab action could have been more effective, he added, and the situation demanded closer co-operation among Arab capitals.

He paid tribute to the Palestine Arab Republic organizations and repeated that the UAR was helping the Palestinian commandos in every way possible. But the Palestinian action must not be subjected to any outside control. It must be the direct expression of the people's will. UAR fully supported the political activities of the Palestinian organizations. For this reason it understood their refusal to accept the UN Security Council resolution of November, 1967. "That resolution may be sufficient to eliminate the sequels of the aggression, but it cannot ensure the future and the fate of the Palestinian entity."

Israeli Reaction:

The Israeli Foreign Ministry Director-General, Mr. Gideon Rafael, said in a statement on President Nasser's speech: "Nasser continues the destructive policy which the Arab Governments have advocated for the past 20 years and which brought their people many tragedies."

President Nasser, he added, intended to use the Security Council resolution as a means to restore the situation which existed before June, 1967, "without making peace with Israel."

Reactions Of Mr. L. Eshkol & Mr. A. Eban:

The Israeli Premier, Mr. Levi Eshkol, told French Jews visiting Jerusalem on January 21 that the latest speech by President Nasser removed any prospect for a UAR-Israeli dialogue.

President Nasser's pronouncements before the National Assembly, he said, proved that Arab aims were unchanged, "namely, the destruction of Israel."

The Foreign Minister, Mr. Abba Eban, described President Nasser as a saboteur of peace.

He said in a television interview: "Nasser, who was the architect of war, has now appeared as the saboteur of peace. Never has the opposition to peace been expressed in such an extreme and uncompromising manner."

He added that President Nasser had exposed the false assumption that the United Arab Republic had accepted the UN Security Council resolution of November 22, 1967.

In an unusually bitter attack, he accused President Nasser of smashing to pieces both the cease-fire agreement reached after the six-day war in June, 1967 and the UN Security Council resolution on West Asia. "I must stress one innovation in Nasser's speech. He apparently believes that encouragement of the terrorist activities can be reconciled with the Cease-fire Agreements and the Security Council's resolution. Israel has never accepted and shall never accept any resolution or agreement compatible with encouragement to activities of terrorist groups."

Asked whether President Nasser's speech marked the death of the Soviet peace proposals for West Asia, he replied: "The Soviet plan died long ago since Israel has declared she cannot accept any programme setting as its goal the renewal of conditions which had given birth to the war."

(**The Egyptian Gazette,** Cairo and **The Times of India,** Bombay)

[Prev. ref. 8776:ISR:A]

JAPAN

SUMMARY: Plan For Return Of US Bases; US Naval Manoeuvres Criticized; Trade Talks With USA; Talks With USSR On Northern Isles; Plans To Produce "Phantom" Jets.

A. Plan For Return Of American Bases: The United States presented to Japan in the third week of December, 1968 a plan for returning and re-locating 41 facilities and areas now used by US forces under the Status of Forces Agreement.

The plan was put forward at the ninth meeting of the Japan-US Consultative Committee on Security held at the Foreign Ministry in Tokyo. The Japanese side welcomed the US offer.

USA proposed 30 American bases be reverted to Japan. Of the 30 bases, 21 facilities and areas included the Chofu Airfield in Tokyo, the Ota-Koizumi Training Range in Gumma Prefecture, the Zama Rifle Range in Kanagawa Prefecture, the Tama Ammunition Depot in Tokyo and the south camp area of Camp Asaka in Saitama Prefecture.

USA hoped that the nine other facilities to be reverted to Japan would be made available for joint use by the US forces and Japanese Self-Defence Forces.

USA has thus conditioned the reversion of the nine facilities on a Japan-US joint use. These include the Kisarazu Air Base in Chiba Prefecture, the North Fuji Manoeuvre Area in Yamanashi Prefecture and the Ashiya Air-Ground Range in Fukuoka Prefecture.

The US proposal resulted from a thorough-going review of all the facilities and areas conducted by the US authorities. It was at a Japanese request made at the Japan-US consultations over the bare problem in mid-September, 1968. The consultative committee also agreed to request the US-Japan joint committee under the Status of Forces Agreement to agree quickly on concrete steps for the return and re-location of these facilities and areas.

Both sides affirmed that consideration should continually be given to minimizing the unfavourable effect of the presence of the facilities on the daily lives of the Japanese people.

The two countries also agreed on the necessity for their diplomatic and defence authorities to exchange opinions and information and undertake studies on matters related to the defence of Japan and peace and security in the Far East. They agreed for this purpose to have the US Forces and Self-Defence Forces hold study conferences occasionally.

The Japanese representatives pointed out that US-Japan relations were entering an important phase over questions concerning the Japanese-US Security Treaty and Okinawa's reversion. They also stated that the Government intended to promote stable relations with USA based on the understanding and support of the Japanese people. In reply, the US representatives expressed the view that the Security Treaty could not be "viable" without such understanding and support.

Anti-US Demonstrations:

In Tokyo on October 21, 1968, students armed with staves and pieces of concrete torn up from the streets fought the police in Tokyo while more than 700,000 trade unionists demonstrated quietly in 363 separate parts of Japan.

The demonstrators called on USA to withdraw from military bases in Japan, opposed the fighting in Viet-Nam and asked for the return of Okinawa to Japanese control.

A total of 14,000 dock workers joined in the one-hour strike, supported by 160,000 workers in other fields.

In Tokyo, fighting broke out again later when 1,000 students attacked the Diet compound with stones and staves. About 100 of them broke into the compound but all were arrested.

(**The Japan Times,** Tokyo)

[Prev. ref. 8568:JAP:D; 8584:JAP:A]

B. Mr. E. Sato On Reversion Of Okinawa: The Prime Minister Mr. Eisaku Sato, in a policy speech delivered before the Diet in the second week of December, 1968 called the reversion of Okinawa the greatest problem for Japan's foreign policy and pledged every effort to achieve an early return of the US-held Islands.

He said, however, that the efforts to restore Okinawa to Japanese administration must be based on "mutual trust with USA and due recognition of security requirements."

The speech before the two houses of the Diet was his first major policy address since he formed a new Cabinet on November 30, 1968 following his re-election as President of the Liberal Democratic Party.

He discussed the significance of the November 10 election of Okinawa's Chief Executive, in which Mr. Chobyo Yara, the candidate supported by three Okinawan Leftist parties, had won on the strength of a platform calling for an immediate and unconditional reversion.

Mr. Sato said that in the election, "our fellow countrymen in Okinawa manifested forcefully their desire to return to the Motherland." He said he appreciated the "sentiments of the people who have been placed under the jurisdiction of a foreign Power for more than 20 years."

Talks With Mr. C. Yara:

On December 8, Mr. Sato indicated his willingness to co-operate with the newly-elected Chief Executive of Okinawa, Mr. C. Yara, in bringing abcut an early administrative return of the US-ruled islands to Japan.

In his first meeting with the Prime Minister, in the second week of December, 1968. Mr. Yara appealed to Mr. Sato for an all-out effort to achieve an "immediate, unconditional and total reversion" of Okinawa. Mr. Sato told Mr. Yara that although immediate reversion was difficult, the Government would like to co-operate "hand in hand" with the Ryukyu Government in solving Okinawa's problems.

Mr. Sato assured Mr. Yara that Japan would do everything within its power, when Mr. Yara requested Government help in removing widespread Okinawa anxieties over the presence of US B-52 bombers and the alleged radio-active contamination of sea water by US nuclear-powered submarines calling at Naha Port.

As for Japan's economic assistance to the US-held islands, Mr. Yara demanded that Japan should allot funds to Okinawa in the form of Governmental subsidies since each prefectural government was entitled to accept from the central Government under the constitutional provisions. Mr. Yara also requested that the Government set up a new agency for the economic development of Okinawa to improve the structure of the Okinawan economy which depended heavily on US military bases.

Mr. Sato admitted the need to consider the problem but did not make any commitment.

(**The Japan Times,** Tokyo)

[Prev. ref. 8654:JAP:A]

C. Socialist Criticism Of American Naval Manoeuvres: The Chairman of the Japan Socialist Party (JSP), Mr. Tomomi Narita, in a statement issued in Tokyo on December 4, 1968 criticized the sending by America of a powerful naval force to the Japan Sea.

He said such movements of US naval forces could endanger Japan. He warned against the use of bases in Japan by American naval units.

In Seoul, an American military spokesman played down the importance of the naval move. The force had gone to the Japan Sea for "routine operations", according to the spokesman. However, such a powerful US naval contingent had not been reported in the Japan Sea for many months. In addition, special aircraft from Okinawa had been sent to South Korea by the United States. These were naval machines equipped for detecting movement at sea with electronic instruments.

The last time a sizable American naval force appeared in the Japan Sea, so far as the general public was concerned, was just after the capture of the American naval intelligence vessel **Pueblo** by North Korea on January 23, 1968 (see page 8527).

The Prime Minister of South Korea, Mr. Chung Il Kwon, on December 3, 1968 flew to the aircraft carrier **Hancock**, which was with the force, for a one-day visit with senior South Korean officers. The visit underlined the unusual nature of the carrier's visit to Korean waters. Korean newspapers reported that the **Hancock** and various destroyers were due to take part in joint exercises with the Korean Navy, but this was denied by the Americans.

There had been unusual activity on the Korean east coast since the landing of a party of at least 60 North Korean soldiers early in November, 1968. The South Koreans had been hunting down members of this party which was said to be the largest to descend from the North since the Korean armistice in 1953.

(**The Times**, London)
[Prev. ref. 8527:KRS:A]

D. Trade Talks With USA: A conference of Japanese and US delegates was held in Tokyo in the last week of December, 1968 designed to remove some of the import restrictions on American products.

The conference took place against the background of growing trade protectionism in the United States, which was dissatisfied over the fact that Japan still put quantitative curbs on 121 items without the consent of the General Agreement on Tariffs and Trade (GATT).

Conference sources said a sharp exchange of views took place between the Japanese and US delegations, with the US side calling for an "immediate" decontrol on 38 important items and Japan making her case in the interests of domestic industry.

The US list of farm products proposed for liberalization included beef and grape-fruit. The Japanese side reportedly presented at the meeting a list of several products including food for dogs and cats, chewing gum and beans.

The Japanese list, however, was a great disappointment to the Americans because it contained few items in which it was interested.

As for industrial products, both sides were apparently not as much divided as they were over agricultural produce. The Japanese list reportedly included movie colour film, polished sheet glass, outboard motors, typewriters, woollen fabrics, industrial sewing machines and Bourbon whisky. But other more important items, including electronic computers, leather goods, aircraft and radar equipment were excluded.

Japan also reportedly offered to liberalize the import of additional items other than the 38 products listed by USA, but it was not known what specific products were involved.

(**The Japan Times**, Tokyo and **The New York Times**)
[Prev. ref. 8568:JAP:D, 8584:JAP:A]

E. Continued Talks With USSR On Northern Isles: According to Tokyo reports, the Prime Minister, Mr. Eisaku Sato, has instructed his Ambassador in Moscow, Mr. Toru Nakagawa, to continue talks with the Soviet Government to regain Japan's territorial rights over the northern Pacific islands held by USSR.

Mr. Sato has maintained that the territorial claim over the northern islands, notably Habomai, Shikotan, Kunashiri and Etorofu near Hokkaido, is a "legitimate demand that reflects the strong sentiment of the Japanese people regarding the islands."

Mr. Nakagawa said during a visit to Tokyo in the first week of January that the attitude of the Soviet Union towards all pending Japan-Soviet problems, except the northern territorial issue, was the most favourable in years. The Soviet Union gave no reaction whatsoever to repeated Japanese requests for settlement of the northern territorial problem.

He briefed Mr. Sato on the current state of Russo-Japanese relations at a meeting held at the Prime Minister's official residence.

He also held talks with the Foreign Minister, Mr. Kiichi Aichi. Foreign Ministry sources quoted the Ambassador as saying that the Soviet Government's stand on the question of the northern territory was adamant and there was no point in discussing it further.

Mr. Nakagawa told Mr. Aichi, however, that the Soviet Union had adopted a somewhat friendly attitude towards Japan despite the Czechoslovakia affair. This Soviet attitude was noticed when Kremlin leaders received, in October, 1968, the then Transport Minister, Mr. Yasuhiro Nakasone for talks on the inauguration of JAL's independent service between Tokyo and Moscow.

He voiced his view that Moscow would maintain its policy of peaceful co-existence with the nations of the 'free world' although it would not hesitate to confront these nations in order to defend the unity of communist States.

(**The Japan Times**, Tokyo)
[Prev. ref. 8567:JAP:A]

F. Japan-Soviet Economic Committee Meeting: The Japan-Soviet Joint Economic Committee, a private co-operative body of Japanese businessmen and Soviet economic officials, met in Tokyo in the second week of December, 1968.

A joint **communique** issued at the end of the three-day session said agreement had been reached to create specialist committees to study the possibilities of developing Soviet natural gas, coal and iron resources for supply to Japan.

The **communique** also said it had been agreed that Soviet Far Eastern ports and harbours be improved and timber resources be developed if joint studies by the two sides produced positive results.

Creation of a sub-committee on promotion of scientific and technological interchanges between the two nations was also agreed on.

Creation of various working groups for such co-operation in various industrial fields wherever necessary in the near future was also promised.

According to the **communique,** the proposed specialist committees were to conduct preliminary studies relative to the development of the coal and iron resources in Southern Yakutsk Republic in Siberia and natural gas resources in the same Republic and Sakhalin Island. Japanese surveys of the resources to be developed with Japanese equipment would be paid for with such products.

On the improvement of Soviet Far Eastern ports and harbours, the joint committee was to decide, within the next three months, the sending of a Japanese inspection mission to the ports.

Concerning the development of timber resources for pulp-wood, both sides were to create a specialist committee on Siberian broadleaved tree pulp and chips as part of their efforts to conclude at an early date a long-range Trade Agreement.

(The Japan Times, Tokyo)

[Prev. ref. 8526:JAP:C]

G. Plans To Produce "Phantom" Jets: The National Defence Council at its meeting held in Tokyo under the chairmanship of the Prime Minister, Mr. Eisaku Sato, on January 10 decided to produce 104 **Phantom** F-4E jet fighters by the end of the fiscal year 1977 as the new mainstay fighters of the Air Self-Defence Force.

The Council's decision was later approved by the Cabinet.

The production of the new first-line fighters will entail a budget of about 200,000 million yen or 1,900 million yen per unit.

The Defence Agency plans to organize four flying squadrons, each equipped with 18 Phantom F-4Es, by the end of the fiscal year 1976. The first of them will be established in the fiscal year 1973.

The Agency originally sought to set up five such squadrons equipped with a total of 130 **Phantom** F-4Es, but was forced to reduce the scale for budgetary reasons.

Three of the projected four squadrons will be placed under command of the Northern, Central and Western Regional Air Corps. The remaining one will be assigned to the Northern Corps in time of emergency.

Domestic production of America's McDonnel fighters will be undertaken by Mitsubishi Heavy Industries Ltd. as the main contractor and Kawasaki Aircraft Co. as the secondary contractor. The engines will be manufactured by Ishikawajima-Harima Heavy Industries Co.

(The New York Times)

[Prev. ref. 7471:JAP:C]

H. Contributions To ADB: The Government exchanged Notes with the Asian Development Bank (ADB) in the third week of December, 1968 to contribute $20 million (7,200 million yen) to the Bank's Special Agricultural Fund.

The Notes were exchanged between the Finance Minister, Mr. Takeo Fukuda and the ADB President, Mr. Takeshi Watanabe.

Japan is the first country to contribute to the Fund.

Loans from the Fund are to be repaid in 25 years after a seven-year deferment period. The interest rate is 3 per cent a year, lower than the 3.5 per cent interest on Japan's aid to Indonesia, which must be repaid in 20 years. It is the most favourable aid grant by Japan in terms of both interest rate and repayment period.

The Bank's Special Agricultural Fund was created after an agreement reached by member-nations of the South-East Asian Agricultural Development Conference during its meeting in Tokyo in December, 1968. Japan agreed in September, 1968 to make contributions totalling $100 million to the Fund on condition that USA would contribute $200 million and other countries $100 million each. Japan's $20 million contribution is part of the pledge made in 1968.

A US Bill calling for an appropriation of $200 million as its share to the Fund is still in the Senate.

Of other countries which have pledged contributions to the Fund, only Canada, the Netherlands and Denmark have indicated their readiness to contribute $25 million (in five years), $1,500,000 and $2 million, respectively.

(The Japan Times, Tokyo)

[Prev. ref. 8654:JAP:B]

I. Funds Of Political Parties: According to the Home Affairs Ministry, the Liberal Democratic Party (LDP), Kokumin Kyokai and the Japan Communist Party were the three biggest spenders among political organizations during the first half of 1968.

The Ministry made public in the first week of December, 1968 a report on income-expenditure statements submitted by 520 political organizations. Kokumin Kyokai is a fund-raising organ established by Japan's business world for the benefit of the conservative party.

LDP spent 2,600 million yen, Kokumin Kyokai 2,300 million yen and the JCP 1,100 million yen.

The next biggest spenders, all reporting expenditures exceeding 50 million yen in the January-June period, were organizations related to LDP's various factions. These were the New Finance Research Society (Maeo faction) with a declared outlay of 130 million yen, Current Problems Council (Fukuda faction, 70 million yen), Seisei Kai (Sato faction, 50 million yen), Homa Kai (Ishii faction, 50 million yen), and Policy Discussion Council (Miki faction, 50 million yen).

The 520 organizations, declaring their incomes and expenditures to the Ministry, spent a total of 9,520 million yen in the first half of 1968 or slightly less than their total expenditures in the first half of 1967 when a General Election of the House of Representatives was held. The big spending in the January-June period was believed to have been necessitated by the House of Councillors election in July, 1968.

The five major political parties retained the same places as in the first half of 1967 in the list of big income earners.

The LDP topped the list with 2,602 million yen, followed by the JCP 1,110 million yen and Komeito 885 million yen.

The Japan Socialist Party (JSP) reported revenues amounting to 234 million yen, compared with the same term while the Democratic Socialist Party (DSP) declared an income of 159 million yen.

The sharp increase in income reported by Komeito contrasted with the JSP's apparent difficulties in augmenting the party's incomes. (JSP suffered a big setback in the July Upper House election).

LDP drew about 93 per cent of its total revenues from political donations. Donations either from individuals or corporations accounted for a high 83.1 per cent of the DSP's incomes.

By contrast, JCP said it had counted on political donations for a negligible 0.8 per cent of its revenues. Komeito declared to the Ministry it had received nothing by way of political contributions.

The biggest donors for LDP, JSP and DSP were Kokumin Kyokai (400 million yen), the General Council of Trade Unions of Japan (77 million yen), and the Democratic Socialist Party Association (109 million yen), respectively.

Other major sources of political parties—those giving 20 million yen or more in the first half—included the Tokyo Bankers' Association, the Electric Industry Federation, the Japan Iron and Steel Fedetion, the Japan Teachers' Union, ration, the Japan Petroleum Association and the Japan Gas Association.

(The Japan Times, Tokyo)

J. Disputes In Campus: A total of 107 universities and colleges throughout the nation were involved in campus disputes in 1968 and disputes were still not settled at 60 of them.

This means that one out of every eight higher educational institutions had had some trouble in 1968. (The total number of universities and colleges is 845.)

A National Police Agency tabulation as of December 5, 1968 showed that these 107 campuses were spread over a total of 44 prefectures, excluding only Gifu and Kochi prefectures. Of the 60 campuses where the disputes had not yet been resolved, 36 were national, two municipal and 22 private.

The disputes ranged over more than 20 different issues. The management of student halls and dormitories was the most popular cause involving 22 schools including Tokyo University of Foreign Studies, Tohoku University, Kobe University, Toyo University and Doshisha University.

Nine campuses, including the University of Tokyo and Sophia University, were involved in disputes stemming from disciplinary action against students. The disputes concerned the issue of campus democratization at Nihon University, Meiji Gakuin University, Komazawa University and five others, all private institutions. Waseda University, Fukushima University and two others were involved in disputes over university presidents.

At five campuses, including Wakayama, Saitama and Senshu universities, disputes concerned issues of everyday student life such as the provision of co-operative stores, dormitory accommodation and commuter bus services.

(**The Japan Times**, Tokyo)

K. Expedition To South Pole: According to a message received in Tokyo on December 19, 1968, a Japanese team of 11 men had succeeded in reaching the South Pole after a journey lasting 83 days.

The team, led by Mr. Masami Murayama, travelled altogether about 1,243 miles from its base on Ongul Island, and used Japanese-made snowcars. This was the first time that a Japanese exploring group had reached the South Pole.

The explorers set off from their Shofa base on Ongul island with four snowcars on September 28. On October 3 one expedition member, Mr. Yasoichi Endo, was badly injured in an accident with an ice drill. He was taken back to base, and the 11 other men continued, reaching a point 561 miles from base on November 4. The next day they met bad conditions, advancing only about 12 miles in nine hours. At that point, they lightened their burdens by abandoning steel sleighs and arrived at the US plateau base four days later. They rested for four days, continuing on November 16.

Mr. Murayama, in a message to the headquarters of the Japanese Antarctic Research Expedition in Tokyo, said that all members of the team were in good health. He added that it had taken more than 50 years for Japan to raise its flag on the South Pole (an expedition in 1912 failed to get there), and American help had been essential to the team's success.

(**The Times**, London)

[Prev. ref. 5601:AOA:B]

JORDAN

A. Cabinet Re-shuffle: It was announced in Amman on January 26 that a new Cabinet had been formed after the resignation of six Ministers.

Those who left the Cabinet were: Mr. Akef al-Fazez, Minister of State for Premiership and Minister of Communications; Mr. Hesem Nusseibeh, Minister of State for Premiership and Minister of Reconstruction and Development; Mr. Salah Abu Teid, Minister of Culture, Information, Tourism and Antiquities; Mr. Hatem al Zu'bi, Minister of Economy and Minister of State for the Prime Minister's office; Sheikh Abdul Hamid al-Saheh, Minister of Wakfs, Islamic Affairs and Holy Places; and Mr. Amin al-Husseini, Minister of Transport.

The new members were: Mr. Nizam al-Sharabi, Minister of Economy; Mr. Mohammed Areb al-Aameri, Ambassador to the United Arab Republic and a former Minister, became Minister of Culture, Information, Tourism and Antiquities; Sheikh Abdullah Ghosha, Chief Justice who joined the Cabinet for the first time, became Minister of Wakfs; Mr. Mousea Abdul Agheb, a member of the House of Representatives, joined the Cabinet for the first time as Minister of the Interior, Municipal and Rural Affairs.

(**The Baghdad Observer**)

[Prev. ref. 8358:JOR:A]

B. Soviet Arms Supplies Agreement: On January 21, the Soviet Union and Jordan signed an Agreement in Moscow for the supply of arms and spare parts to replace equipment lost in the 1967 war with Israel.

The Agreement provides for the supply of arms and equipment in exchange for such commodities as sugar.

The Agreement was based on the Soviet commitment to maintain the arms balance between Israel and the Arab nations.

Previously, Jordan had received arms from Western sources, primarily from Britain.

(**Tass**)

[Prev. ref. 8092:JOR:A]

KOREA (South)

A. Death Penalty For Espionage: Three Koreans were sentenced to death in Seoul on December 27, 1968 for operating a 16-man spy ring for North Korea on an island 200 miles south of the Capital since 1962.

The prosecution told the court that the three—two South Koreans and one North Korean—had travelled to the North several times to receive operational funds of 10,450,000 won (about £15,600) and four radio sets.

(**The Times**, London)

[Prev. ref. 8298:KRS:A, 8569:KRS:A]

KUWAIT

A. Ruler In USA—Joint Communique On West Asia: In a joint **communique** issued in Washington on December 11, 1968, President L. B. Johnson and the Emir of Kuwait said that the United States' efforts in West Asia "are directed at the achievement of a lasting and honourable peace" in line with the United Nations resolution of November 22, 1967.

President Johnson added that the US Government "fully supports" the efforts of the Swedish envoy, Dr. Gunnar Jarring, to bring an end of the hostilities which broke out with the June, 1967 war.

The Emir of Kuwait, Sheikh Sabah al-Salem al-Sabah, explained "Kuwait's attitude toward the Palestine question and emphasized the rights of the Palestinian people to return to their homeland, and his total rejection of annexation by force of Arab territories in contradiction of the Charter of the United Nations."

The **communique** said that President Johnson "explained that US efforts in the area are directed at the achievement of a lasting and honourable peace based on the UN Security Council resolution of November 22, 1967."

(The Baghdad Observer)

LEBANON

A. Government Resigns—New Cabinet: The Government resigned on January 6.

On January 8, President Charles Helou had asked the former Premier, Mr. Rashid Karame to form a new Government to replace the Government of Dr. Abdullah al-Yafi which resigned in the wake of an Israeli reprisal raid on Beirut airport on December 28, 1968.

Dr. Yafi's four-man Cabinet, formed in October, 1968 had been strongly criticized since the attack by Israeli commandos on Beirut airport.

[Mr. Karame, six times a Premier previously, is a son of another former Premier, Mr. Abdel Hamid Karame. A 47-year-old lawyer, he is a leading member of the Democratic Parliamentary Front—the largest single party in the 99-member Chamber of Deputies. Mr. Karame last held the office of Premier in February, 1968, when he resigned. He had then been in power for 15 months. Mr. Karame is one of the country's most experienced politicians. A quiet, self-effacing bachelor, he played a leading role in the 1958 civil war, which lasted 140 days and shattered Lebanon's economy. It was a Government led by him—his fourth formed in 1961—that did a great deal to build it up again. He comes from Tripoli, the small Mediterranean country's northern oil refining centre and port. He practised law there after graduating from Cairo University and embarked on a political career upon the death of his father in 1951. Within 12 months the young Arabic, English and French-speaking lawyer became Minister of Justice. Two years later, he was appointed Minister of Economy and Social Affairs.]

On January 15, Mr. Rashid Karame succeeded in breaking the nine-day deadlocked Government crisis by forming a 16-member Cabinet from within Parliament.

All the country's political parties were represented in the Cabinet, except that of former President, Mr. Camille Chamoun, which was represented by "supporters" of his line.

But, on January 16, two Ministers in the newly-formed broad-based Cabinet announced that they had offered their resignations. They were the Finance Minister, Mr. Pierre Gemayal (Phalange Party), and the Public Works Minister, Mr. Raymond Edde (National Block).

Their decision was announced in the name of the tripartite alliance which included the National Liberal Party of the former President, Mr. Camille Chamoun.

In an apparently unconnected development on January 20, a third member of the Government, the Planning Minister, Mr. Hussein Mansour, also announced his intention of resigning.

The Prime Minister, Mr. Rashid Karame appointed four new Cabinet Ministers to fill positions left vacant by recent resignations, on January 23.

The new Ministers, all members of the Chamber of Deputies, are:

Mr. Khalil Khouri—Labour and Social Affairs; Mr. Youssif Salemi—Foreign Affairs; Mr. Habib Kayrouz—Tourism; Mr. Mohammed Safieddin—Planning.

In a minor Cabinet re-shuffle, Mr. Karame relinquished the Foreign Affairs portfolio for Finance, and Mr. Rene Moawad, who was Minister for Social Affairs and Labour, became Minister for Public Works.

On January 25, Mr. Karame completed his 16-member Cabinet with the appointment of four Ministers to replace men who refused to accept Cabinet posts in his eight-day-old Government.

Background:

The West Asia correspondent of **The Statesman** wrote on January 10: "The resignation of the Lebanese Cabinet was welcomed as setting a good precedent for Arab Governments to pay the price for public failure.

"The Cabinet of Dr. Al-Yafi was shaky even before the Israeli attack on Beirut airport, but the near total absence of any resistance to the attack produced recriminations between the Ministers that led to its downfall. The important point is that the squabbles arose over attempts to explain away the failure and these in turn had to be made because of widespread popular demand for an explanation.

"Thus the fall of the Cabinet has established, **de facto**, the principle of accountability. It is true that Cabinets do not count for much in the governance of Lebanon, but loss of office is a real punishment for the politicians concerned. In no other Arab country since June, 1967 have civilian leaderships paid the price for negligence in the struggle against Israel.

"A good deal of the pressure for an explanation came from university students, some of whom are continuing with a hunger-strike in the American University of Beirut. Apart from demanding punishment for those responsible and the introduction of compulsory military service, both of which demands have now been met, the students are also asking for Government support to the Palestinian commandos and the release of those commandos who have been detained by the Lebanese authorities. This latter demand is not well founded, but that it should be made at all makes nonsense of the Israeli claim that the Lebanese Government is aiding and abetting the commandos."

(The Times, London and **The Statesman,** New Delhi)

[Prev. ref. 8617:LEB:A]

MALAYSIA

A. Budget Estimates For 1969: The Budget estimates for the fiscal year 1969 were presented to Parliament on January 8 by the Finance Minister, Tan Siew Sin.

In what was described as a "painless and expansionary Budget," he said the nation had reached "generally speaking, an optimum level of taxation."

It would be necessary, he conceded, or even advisable from time to time to make minor revisions and adjustments on the grounds of equality, policy changes and harmonization between West and East Malaysia. He expected further growth in economy this year, more private participation in investments and timber replacing tin as the second major foreign exchange earner, rubber still being in the top position.

Reviewing 1968, he said the world monetary situation was never recently "so chaotic". It was still a "source of potential danger" especially to exporters of primary products, as industrial countries would make some reduction in economic activity, as world economy became less buoyant. However, the demand for Malaysian exports could continue at a high level of last year's strong growth.

The other salient points of the Budget speech were:

The GNP rose by five per cent to M$10,200 million. With the population growth at three per cent the *per capita* GNP rose from M$965 to M$980. Exports showed a dramatic rise. Though prices fell, the total receipts increased sharply. Imports rose at a slower rate.

External reserves rose by M$70 million to M$1,980 million. Currency in circulation was M$852 million.

Manufacturing activity grew further with new enterprises, though it contributed only 12 per cent of total domestic production. Food prices stabilized early in 1968. The rubber industry underwent a critical period last year. But the recovery in prices offered a better future. Rubber exports rose by 12½ per cent to 1.15 million tons, earning M$1,340 million. Log exports rose to M$540 million and sawn timber exports to M$147 million. Exports of tin, of which Malaysia commands 41 per cent of world production, were worth M$123 million.

Investments in the public sector rose by about 3.5 per cent against private investment growth of 1.5 per cent. Fixed capital investment in the private sector, however, rose by 4.5 per cent.

Tan Siew Sin said that the real basic problem the nation faced was unemployment over the coming years. He considered it not only an economic, but a social and political problem. A realistic way of tackling this was to assure an adequate rate of economic growth. In 1968, there was increased unemployment in the Malayan peninsula, more in the cities than in the rural areas, and more among the 15-19 age group than in the 20-24 age group, according to sample surveys, indicating that the problem was one of first job-seekers. In terms of the labour force, unemployment was 6.8 per cent compared to 6 per cent in 1962. But with the vast labour shortage in Sabah for plantations and lumber camps, migration of labour could in due course solve the problem, along with growth in technical training for which about 10 centres were being established.

The Budget estimates placed revenue at M$1,962 million (taxes for the year contributiong M$14 millon), about 3.9 per cent more— and ordinary expenditure at M$1,925 million—about M$7 million lower than the original estimate for last year.

With M$32 million in special grants to the Eastern States of Sabah and Sarawak, and special development expediture of M$720 million, the overall deficit will be about M$790 million. This would be bridged with M$350 million domestic and M$238 million foreign borrowing and from reserves.

The general trend this year is towards more exports than imports and more austerity in Government spending through avoiding overtime except for emergencies and speed; converting study grants to loans, minimizing use of light power, water and stationery; bulk and central purchases of equipment and materials; and better control and management of public buildings.

The expansionary budget, he said, should encourage greater economic growth with a steady rise in export earnings, public sector expenditure rising by 8½ per cent, private investments by 9 per cent, and retail prices remaining stable. Private investments in the chemical, rubber, oil palm, engineering, pulp and paper and textile and tourist industries would be initiated this year in 12 projects.

(**The Malayan Times,** Kuala Lumpur and **The Hindu,** Madras)

[Prev. ref. 8329:MAL:A]

B. White Paper On Communist Activity: The Government issued on November 9, 1968 a White Paper in which it described the threat posed by the Communist Party and its united front to security and public order.

The White Paper, titled "The Path of Violence to Absolute Power," quoted extensively from captured documents to show that the Communist united front had abandoned the parliamentary struggle and that the Malaysian Communist Party (MCP) intended to continue its armed struggle.

The Deputy Prime Minister, Tun Abdul Razak, in a foreword to the White Paper, warned of the threat that had cast its "sinister shadow over the nation."

He wrote: "Communist militancy has been taken to the stage where all pretence at formal compliance with constitutional requirements will be abandoned and Communist united front activities will be geared to the return of the MCP along the violent path to absolute power.

"Extremist political opportunists, who have by their past actions shown a complete disregard for the nation's safety, may now take this fresh opportunity to exploit the potentially grave situation in pursuit of their own selfish ends.

"It is in the light of these new sinister developments that the Government, conscious of its duty to keep the public informed of happenings that imperil the nation, has published this White Paper.

"The Government has never hesitated in acting firmly against those who knowingly seek to subvert and destroy the democratic way of life that the people have chosen for themselves. It will not hesitate now."

The White Paper said that two threats faced the country. First, that from MCP which had made it increasingly clear that the time had come to launch an all-out militant united front campaign in which all pretence at outward compliance with the Constitution would be abandoned. This was to clear the path for an ultimate seizure of power by violence and bloodshed.

The other was the threat posed by extremism among "certain unscrupulous power-hungry groups" seeking to secure political ascendancy by illegal means.

(**The Straits Times,**
Kuala Lumpur)

[Prev. ref. 8449:MAL:B]

C. National Shipping Line: The Finance Minister, Tan Siew Sin, said in Kuala Lumpur on November 18, 1968 that a $20 million company was being formed to run Malaysia's national shipping line.

The firm, called Malaysian International Shipping Corporation, would have an initial paid-up capital of $6 million, of which the Government would contribute $1 million.

The nucleus of the line, to be known as Malaysia Line, would be the two ships promised by the Japanese Government under the "blood debt" settlement.

Tan Siew Sin, who is chairman of the Cabinet committee on the national shipping line, said: "The company will **ab initio** invite public participation in its capital by private placement so as to cater for Malay interests like MARA (Majlis Amanah Ra'ayat—Council of Trust for Indigenous People) and the Malayan Muslim Pilgrim Savings Corporation, together with the Chinese Chamber of Commerce and other domestic commercial interests.

"The Malaysia Line will be managing and operating, on behalf of the Government, the two ocean-going cargo ships to be obtained from Japan as 'goodwill' payment.

"The initial fleet of four to six modern cargo liners are to be designed and built specifically for the Far East-Europe trade.

"The Malaysia Line will apply for full membership of the Far East Freight Conference.

"The Line will employ Malaysians as far as possible in these vessels and recruitment of personnel for home and overseas training of officers and engineers will commence shortly."

Elaborating on the announcement, a company source said the Line's ships would be at least 10,000 tons deadweight, each costing about $12.5 million. All its vessels would be of the same size and would be built to meet the special needs of Malaysian imports and exports.

(Malaysian Digest, Kuala Lumpur)

D. Search For New Sea Lane: A 21-member Japanese team is conducting a survey of the 800-km Malacca Straits between the Indonesian island of Sumatra and the Malaysian mainland, connecting the Indian Ocean and the China Sea.

The object of the survey is to find a new sea lane for oil tankers of over 100,000 tons and to conduct exhaustive investigations into what are considered 'danger areas.'

Malaysia authorised the survey on November 26, 1968. The cost of the survey set at M$1,000,000 is to be borne by the Japanese Government, Japanese Shipping Promotion Association and Japanese shipbuilding and refining industries.

The survey requires also the permission of the Governments of Singapore and Indonesia, both of whom are expected to co-operate as it would be in their interests.

Safe navigation through the Straits is of great importance to Japan as nearly 90 per cent of its oil requirements as also ore and coal imports pass through the Straits. If traffic through the Straits of Malacca and through Lombok Straits between Java and Sumatra is impeded, Japanese industries would grind to a halt.

Ever since the closure of the Suez Canal, Japan has been intensifying its search for oil in Australia, Indonesia and South America. The Malacca Straits Council was set up in Japan some time ago to study safe navigation through the Straits as some areas are dangerous to huge tankers. The British Admiralty charts of the Straits were based on surveys done in the 1930's. Early this year, a fully-laden 130,000-ton tanker, Nissho Maru, barely missed by a few yards hitting submerged rocks, and another Japanese tanker recently almost touched the bottom of the Straits.

The survey might also help to locate the ancient port of Malacca. It would be known whether it was close to the Malayan shore or miles away in the Straits. The survey is to be done by the 2,061-ton **Koya Maru** and is to be completed by March, 1969. The results would be processed by the Japanese Hydrographical Survey Unit and would be made available to the countries concerned by the end of the year.

(The Hindu, Madras)

[Prev. ref. 8425:MAL:A]

E. Koran-Reading Contest: Malaysia won both the men's and women's titles in the 12-nation International Koran-Reading Competition held at Kuala Lumpur on December 14, 1968.

The men's champion was Haji Saidin Bin Abdul Rahman, while among the women it was Che Rahman Binte Abdul Rahman.

Both of them had won the previous year's competition. Malaysia had been winning the men's championship since the Competition began in 1960 and also the women's title since it started in 1960.

Runner-up in the men's section was another Malaysian, Haji Mocktar Bin Haji Ahmad, while Singapore's Inche Mohammed Fadull Bin Abdul Aziz came third.

Indonesia's Madam Mariwijah Harifai came second in the women's section. The third place went to Thailand's Che Rofiyah Binte Wan Kassim.

Participants belonged to India, Malaysia, Singapore, Indonesia, Thailand, Brunei, Pakistan, Cambodia, Turkey, Ceylon, South Viet-Nam and the Philippines.

(The Malayan Times, Kuala Lumpur)

NEPAL

A. Chinese Misbehaviour Towards Indian Journalist—Nepalese Regret: The Government on January 7 expressed regret to India over the misbehaviour of the Chinese in Nepal towards Mr. Frank Moraes, Editor of **The Indian Express.**

This followed India's request to the Nepal Government to take cognizance of the incident and to offer better protection to Indian personnel in Nepal.

A spokesman of the External Affairs Ministry said that Nepal's Foreign Minister had assured the Indian Ambassador at Khatmandu, Mr. Raj Bahadur, that the Government greatly regretted the incident and would strongly speak about it to the Chinese **Charge d'Affaires,** which he did. As a result, the Chinese Embassy was believed to have issued instructions to the Chinese personnel not to indulge in such actions.

[On December 26, 1968, Mr. Frank Moraes, Editor-in-Chief of **The Indian Express** and Miss Marilyn Silverstone, an American photographer, were detained by the Chinese for over two hours near the Sunkosi project site on the Chinese-built Khatmandu-Kodari highway, about 80 km from Khatmandu. They were in a car driven by Mr. M. R. Shrestha, editor of the local daily **Motherland,** when a truck driven by some Chinese technicians drove past them, barricading the road. The Chinese accused the visitors of taking photographs, although there were no notice boards prohibiting photographs and the Nepalese authorities do not normally ban pictures except in restricted areas. When Mr. Moraes and Miss Silverstone refused to get out of their car and surrender their cameras and negatives, the Chinese technicians, soon re-inforced by a yelling group of Chinese workers and engineers numbering over 20, surrounded the car and threatened to manhandle the occupants. They pounded the car with their first, gesticulated menacingly around windscreens and at one time threatened to break the car windows. They shouted and at times spat insults and threats for about two hours. The cameras and films were handed over to Nepali officers who had arrived on the scene, and after much altercation between the Chinese and Nepali project officers, Mr. Moraes and Miss Silverstone were eventually allowed to go. The cameras and films were, however, returned to them by the Nepali authorities undamaged and intact. On December 27, 1968, an Indian External Affairs Ministry spokesman in New Delhi condemned as "highly improper and arrogant" the behaviour of the Chinese against Mr. Moraes in Nepalese territory. He requested the Nepalese Government to extend protection to Indian citizens against such threatening behaviour of foreigners in Nepalese territory.]

(The Hindu, Madras and **The Indian Express,** New Delhi)

[Prev. ref. 8744:INI:O]

PAKISTAN

A. Soviet Loan For Oil And Gas Prospecting: The Soviet Union is to give Pakistan a loan of 19 million roubles for prospecting oil and gas in Pakistan, under an Agreement signed in Islamabad on January 22.

(Radio Pakistan)

[Prev. ref. 8379:PAK:F]

B. IDA & UNDP Credit: It was announced in Washington on January 22 that the International Development Association (IDA) and the United Nations Development Programme (UNDP) would jointly provide Pakistan with $3.9 million (£1.6 million) to help develop an agency for planning a vast water and power project.

The funds would be used to strengthen the East Pakistan Water and Power Development Authority by financing the employment of a number of general consultants.

IDA is providing an interest-free 50-year credit of $2,000,000 (£830,000) to the Authority and the UNDP is making a straight grant of $1,900,000 (£790,000).

(The New York Times)

[Prev. ref. 8454:PAK:P]

PHILIPPINES

A. Asian Common Market Proposed: In a speech before the Asian Parliamentary Union in Manila on December 4, 1968, President Ferdinand Marcos proposed an Asian Common Market for iron, steel and power industries and a common regional shipping policy to break the "monopoly exercised by the shipping lines of the developed countries".

He said the Philippines was prepared to initiate moves towards setting up the Common Market for iron, steel and power industries from which developed countries would be excluded. He said the Common Market was desirable because of the huge capital expenditure involved.

He called on Asian nations to give priority to industrialization instead of agriculture. He warned that "unless Asia is industrialized, our future, and possibly the future of the world, remains forbidding."

He criticised donor nations and international institutions for their emphasis on agriculture, a policy he called "shortsighted and ultimately futile. While it is true that we have to produce enough food to feed our populations, it is not correct to make agriculture the main area of economic investment. We believe that the true and lasting solution to the poverty of Asia is the industrialization of Asia."

There was, he added, growing "dissatisfaction and impatience" with aid-giving nations and institutions. "Unless there is a decisive change in the policies and thinking of these agencies, the poor countries of Asia will seek assistance elsewhere or turn to each other for help."

(The New York Times)

[Prev. ref. 8130:THI:C]

SINGAPORE

A. Budget For 1969-70: The Budget estimates for 1969-70 were presented to Parliament by the Finance Minister, Dr. Goh Keng Swee, on December 3, 1968.

He announced that it had been decided to alter the financial year from January-December to April-March to give accounts for full years.

For the first time since the country became independent in 1965, he also announced seven taxes which were aimed at spreading the burden without hurting the investors or the poor class. Defence of Singapore and expansion of the Armed Forces were set at length in his speech, also for the first time since Independence.

The Budget for January, 1969 to March, 1970 estimated an expenditure of S$1,024.9 million, with revenue falling short by only $ 89 million. Of the development budget of S$332 million, nearly S$48 million will be spent on the Armed Forces.

The other main items were for building of the infrastructure for Singapore's future as an industrial, tourist and communications centre. These include a mechanical engineering course in a local college, extensions to the international airport for Boeing-747s, a hotel catering training centre, expansion of telecommunications with auto-telex, resiting of the meteorological station, improvements to TV and radio services, reclamation of land and urban re-development.

Though the public expected "heavy taxation because of need for huge spending on defence forces", the seven taxes announced were light, with 10 to 15 per cent levies on public utilities, telephones, transfer and registration of motor vehicles, higher stamp duties, 15 per cent import duty on ready-made garments (for the first time). These are expected to get S$35 million in additional revenue.

Defence Arrangements:

Dr. Goh spelt out plans for the Armed Forces and its rationale. He said the unexpected accelerated withdrawal of the British forces by 1971 had necessitated a revised plan. There were no plans before for an Air Force nor expansion of the Navy till the early 1970s. But now both had became necessary. For the Navy, six patrol craft had been ordered for delivery by the end of 1971.

Meanwhile, officers and men would be trained in Britain and Australia, beginning in February. The Republic's Air Force would be operational by 1971, consisting of squadrons of Cessnas (as trainers and spotters)), jet Provosts (as basic jet trainers), Alouette helicopters and Hawker Hunter interceptor jets. The Air Force is to be built up and headed in February by the present Air Commander of the Far East Air Force, Sir Rochford Hughes, on his retirement from the RAM.

The Air Force personnel were being trained in UK and France, and when attached to the local Flying Training School, would train more pilots. A Technical Training School would be established for ground crew and technical personnel.

The Army build-up which was started after Independence in 1965, with two infantry battalions, was now at five battalions, of which two were fully operational. The other three would be operational in 1969. The sixth battalion would be formed next March. Meanwhile, the first two were being re-converted with new weapons and manned by national servicemen. Necessary support for these battalions was also to be built. The Army was also supported by three infantry battalions of the People's Defence Corps (PDC) with a fourth to be raised early next year. The PDF would be confined now to internal security duties. A PDF Engineers' Battalion would be formed to run essential civilian services during an emergency. The armoured unit of tanks and cars was now being fitted with training provided by the Israeli School of Armour. An Israeli Defence Mission of 23 had been serving as advisers and instructors in Singapore for two years. The Government intended to spend about 10 per cent of the GNP on defence building up annually at around S$300 million.

By 1979 the Government hoped to have 30 infantry battalions as reserves, and 15 battalions of full-time units. Currently, after two years of national service, men were liable for service for ten years as reservists. The total strength, Dr. Goh said, was adequate by any standards to protect Singapore, which had a population of two million in 225 square miles.

(**The Hindu**, Madras)

[Prev. ref. 8448:MAL:A]

SYRIA

A. Arab Conference On Human Rights: The Regional Arab Conference on Human Rights which met in Beirut from December 2—10, 1968 declared on December 10 that "Israel is a racist, imperialist base aimed at violating the rights of the Palestine Arab people to self-determination and to their homeland."

The declaration was part of a series of resolutions adopted by the Conference.

The Conference said in a **communique** that the "crimes committed by Israel are directed against humanity.... and should be condemned internationally."

It called on UN to apply sanctions provided for under its Charter against Israel which, it said, had been repeatedly condemned by UN.

It supported Arab Palestinian resistance against Israeli occupation and described the December 3 air attack on Jordan by Israel as "a flagrant violation of the UN Charter and the world Declaration on Human Rights".

It also denounced the Israeli authorities' arrest of three prominent Arab women in Jerusalem recently "and their sentencing to imprisonment without trial."

(**The Baghdad Observer**)

VIET-NAM (DR)

A. Recognition By Sweden: It was officially stated in Stockholm on January 10 that the Swedish Foreign Minister, Mr. Torsten Nilsson, had sent a telegram to the North Viet-Namese Foreign Minister proposing establishment of diplomatic relations between the two countries.

Swedish-North Viet-Namese relations started on an unofficial basis three years ago through an intermediary of the Swedish Ambassador in Peking. This was followed up by a series of visits made to Hanoi by the Private Secretary of the Foreign Minister. In Stockholm early in 1968, Mr. Nilsson had met the North Viet-Namese Ambassador accredited in Moscow. This meeting appeared to have prompted the "recall for consultations" in the United States of Mr. Edward Heath, the American Ambassador to Sweden.

[Sweden recognized South Viet-Nam in 1957. At the time the Swedish Ambassador in Thailand had acted simultaneously as the Ambassador to South Viet-Nam but in 1967, when Sweden appointed a new Ambassador to Thailand, no request was made for the Ambassador's concurrent accreditation to Saigon.]

In Hanoi on January 12, the newspaper, **Nhan Dan** said that the "establishment of diplomatic relations between the two countries is a political victory achieved by the struggle of our people for its independence and freedom."

It said: "In its battle against the United States, North Viet-Nam has the ardent support of all progressive forces including the people of Sweden and other Northern European countries".

It gave warm welcome to manifestations of support in Sweden for North Viet-Nam.

Observers believed that there were economic as well as political motives behind the Swedish move. Significance was attached to a Swedish statement "that relations between our two countries will develop favourably on an economic level". It was thought Sweden and other countries might be ready to take an active part in the reconstruction of North Viet-Nam.

Sweden is the first Western non-Communist country to have diplomatic relations with North Viet-Nam. But Hanoi has been a capital empty of all Western representatives. Britain, for example, has had a consul-general ever since the Geneva settlement of 1954. France, too, which hoped after that settlement to play an active part politically and commercially, at first sent Mr. Jean Sainteny as the head of a small Hanoi office, and although the hopes were disappointed, a French representative has been kept in the Capital.

Moreover, the French have had Mr. Mai Van Bo as a representative from North Viet-Nam with an office in Paris for more than two years. French diplomatic recognition of the South Viet-Namese Government has been maintained at the same time, though the French mission in Saigon has only lately been restored.

(**The Times**, London)

ASIA OUTSIDE ASIA

A. Venus Probe Launched: The Soviet Union blasted on January 10 a new unmanned spacecraft towards the mystery planet Venus to conduct joint experiments with a sister ship—**Venus-5**—launched five days earlier.

Tass said that **Venus-6** would make a soft landing on the planet after its 150-million-mile journey in the middle of May. The joint flight by the two spacecraft "will help to determine the parameters of the atmosphere in different areas of the planet of riddles."

Both were on their pre-determined flight trajectories and the instruments on board were working normally.

Venus-6 was 40,700 miles from Earth five hours later when **Venus-5** had already completed 864,000 miles of its journey.

The two spacecraft, each weighing about 2,500 lbs, were carrying pennants with a bas relief of Lenin and a Soviet coat-of-arms. **Venus-6** was equipped with a radio transmitter designed to operate throughout the mission. **Tass** gave the transmission frequency as 922-763 megacycles.

The Soviet Union had pioneered interplanetary contact when **Venus-4** reached the distant planet on October 18, 1967.

(**Tass** and **The Hindu**, Madras)

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AFGHANISTAN

A. Food Aid Extended: The World Food Programme (WFP) has agreed to provide $2,000,000 in food aid to Afghanistan to help in expanding by 30 per cent the enrolment of students at boarding schools.

WFP is jointly sponsored by United Nations and FAO. Since 1964, WFP has been providing food to university boarders and to students of several schools in Kabul proper.

The food — wheat, butter, cheese, milk powder, canned meat, tea and sugar — will be used over a three-year period to supplement local food provided to 36 boarding schools outside Kabul. Admissions are expected to increase from 11,500 to 15,000.

The Government is providing additional teachers, class rooms and dormitories. WFP food will reduce the Government's food bill and the savings will be earmarked for expanded school facilities.

(UN Newsletter)

[Prev. ref. 8359:AFG:A]

CEYLON

A. Indo-Ceylon Joint Committee On Economic Co-operation: The Joint Committee on Economic Co-operation between India and Ceylon held its first meeting in Colombo from January 23 to 26 when it reviewed the trends in mutual trade.

These trends revealed that the traditional pattern of trade between the two countries had been adversely affected by factors such as structural changes as well as continuing stringencies of foreign exchange. In 1968, however, there had been an expansion in total trade between the two countries.

The Indian team to the talks was led by Mr. Dinesh Singh, Minister of Commerce, and the Ceylon team was led by Mr. J. R. Jayewardene, Minister of State.

[The Joint Committee was appointed in pursuance of the resolve expressed by the Prime Ministers of India and Ceylon when the Indian Prime Minister visited Ceylon in September, 1967, and the decision to appoint a Joint Committee was taken at a meeting of the Commerce Ministers of the two countries in New Delhi in June, 1968. Please see page 8000]

A Press **communique** issued at the close of the meeting said that the Committee recognized the potential that exists for improving the overall trade both mutually and in respect of third countries. The exploitation of this potential, however, would require special measures of co-operation between the two countries, both internationally and bilaterally.

The Committee decided that the export possibilities of the Ceylonese and Indian products should be investigated in depth with a view to arrangements being instituted for providing preferential access into one country for the products of the other.

It was decided that a small working group consisting of representatives of each Government be set up to recommend arrangements where appropriate, for the expansion of trade between the two countries in specified commodities.

It was agreed that the Indo-Ceylon Standing Committee on Tea should have its first meeting in March, 1969 if possible.

The question of export of Indian films to Ceylon was discussed. It was agreed that the problems in this field would be examined further by the two Governments. The scope for increased co-operation between producers of films in the two countries would also be explored.

The two delegations welcomed the decision to form an Asian Council of Ministers. They agreed to set up within their respective administrations a National Unit as a focal point for Asian Economic Co-operation as recommended by the Third ECAFE Ministerial Conference on Economic Co-operation. They noted with satisfaction the close co-operation existing between India and Ceylon in international forums and agreed to continue and intensify mutual co-operation in international bodies such as ECAFE and UNCTAD.

(**The Hindu,** Madras and **The Ceylon High Commission,** New Delhi)

[Prev. ref. 8000:CEY:A, 8623:CEY:A]

CHINA

A. Public Appearance By Mr. Mao Tse-tung: The official **Hsinhua** News Agency reported on January 26 that Mr. Mao Tse-tung was in "excellent health and high spirits" when he appeared at a gathering the previous day (January 25) of 40,000 civilians and members of the armed forces in Peking.

Twenty-three leading figures, including Marshal Lin Piao, and the Prime Minister, Mr. Chou En-lai, accompanied him.

The big reception, held in a hall in north-west Peking, put an end to rumours which had gained support abroad about the health of Mr. Mao Tse-tung and the prolonged absence from the political scene of several Chinese leaders.

Among those present was Madame Chiang Ching (wife of Mr. Mao Tse-tung), who is still No. 6 in the hierarchy, which position she held when a list was published on the occasion of the national holiday on October 1, 1968. Her activities had attracted no publicity in recent months.

The Foreign Minister, Marshal Chen Yi whose prolonged disappearance had caused speculation, was also at the reception. He recently returned to Peking after three months' absence from the Capital, although he was ill, to bid farewell to the Pakistani Ambassador, but he did not seem to have resumed his official functions.

The account of the reception mentioned all the leaders who were on the list on October 1, 1968 and in exactly the same order, with minor exceptions. The most important of these was the absence of Mr. Tung Pi-wu, Vice-President of the Republic, now old and who scarcely plays any political role.

The last indicated that the central authority had remained completely stable since order was re-established last Summer. By contrast, there were signs that the dominating role of the Army in the administration of the country might have caused difficulties in several areas outside the Capital.

(The Times, London)

[Prev. ref. 8599:CHI:A]

INDIA

SUMMARY: Mid-Term Election Results In Five States; Central Cabinet Re-shuffle; President's Address To Parliament; Railway Budget.

A. Mid-term Elections In Five States—Results: Over 101 million voters or approximately 40 per cent of the country's total electorate exercised their franchise in the mid-term polls in February, 1969 in the four States of West Bengal, Uttar Pradesh, Bihar and Punjab.

This figure compares with 85.5 million voters who were on the electoral rolls in the four States at the time of the General Election of 1967. The increase in the number of voters State-wise is about 400,000 in West Bengal, about 3,000,000 in UP, about 400,000 in Punjab and about 2,000,000 in Bihar in the course of the past two years.

In order to cope with the additional 15,000,000 voters, the number of polling stations was increased from 99,600 in the last General Election to 110,600 for the mid-term polls to elect 1,127 members to the Legislative Assemblies in the four States.

Similarly, the number of polling officers and other staff to conduct the election in the four States was increased from about 398,000 to over 442,000. They were mainly drafted from the staff of Central Government offices in the concerned States, State Government officials and those working in local bodies.

Besides the mid-term poll in the four States, the quinquennial General Elections were also held in Nagaland where the Assembly was constituted in the beginning of March, 1964.

The electorate in Nagaland also increased from 124,000 to 173,000 in the two districts of Kohima and Mokokchung which were to return 40 members. Twelve other members of the Assembly were to be chosen by the Regional Council of Tuensang district.

Parties In The Arena:

Apart from the seven national parties—Indian National Congress, Jana Sangh, Praja-Socialist Party, Samyukta Socialist Party, Swatantra, Communist Party of India and the Communist Party (Marxist)—40 other State and registered political parties contested the mid-term elections. These included Bharatiya Kranti Dal, Hindu Mahasabha, Ramrajya Parishad, Republican Party of India (Ambedkarite) and Proutist Bloc.

The other registered parties which entered the contest in the different States were:

West Bengal: All-India Gorkha League, Indian National Democratic Front, Lok Sewak Sangh, Marxist Forward Bloc, Progressive Muslim League, Socialist United Centre, Workers' Party of India, Bangala Jatiya Dal, Lok Dal, Bolshevik Party of India, Minorities League, Paschim Krishak Samaj, Revolutionary Communist Party, Bharat Biplabi Communist Party, and the two State parties—Forward Bloc and Bangla Congress.

Bihar: Backward Classes Party of India, Loktantrik Congress, Soshit Dal, Bihar Prantiya Sudhwadi Party, Krantikari Communist Party of India, Bihar Prast Hal Jharkhand and Janata Party (State party).

Punjab: Punjab Janta Party, All-India Shiromani Baba Jivan Singh Masbhi Dal, Punjab Masihi Sabha, All-India Labour Party and Shiromani Akali Dal (State party).

Uttar Pradesh: Muslim Majlis, Socialist Party, UP Kisan Mazdoor Party, UP Jana Congress, Samajwadi Congress, Akhil Bhartiya Arya Sabha, Bhartiya Krantikari Parishad, Mazdoor Parishad, UP Swatantra Sangram Sainik Parishad, UP Sikh Pratinidhi Board and Vedvadi Karmavadi Parishad.

Candidates' Tally:

A total of 6,404 candidates contested the 1,127 seats in the Legislative Assemblies of the four States and the 40 elective seats in the Nagaland Assembly.

The average worked out to about six candidates per seat in Bihar, Punjab, Uttar Pradesh and West Bengal. In Nagaland it was slightly less than four per seat.

Bihar:

Number of seats 318; Total number of candidates 2,141; Electorate 29,244,030.

In the February, 1967 General Election, the number of candidates was 2,026 and the total electorate 27,743,190.

The party-wise break-down of candidates was:

Party	No. of Candidates in '69.	No. of candidates in '67	No. successful in 1967
Congress	317	318	128
Jana Sangh	301	271	26
SSP	190	199	68
P-SP	93	182	18

Swatantra Party	40	126	
CPI	163	97	3
CPM	28	32	24
Loktantrik Congress	114		4
Janata Party	200	..	..
Bharatiya Kranti Dal	258	..	..
Backward Classes Party	235	..	..
Proutist Bloc	150	..	..
Socialist Unity Centre	22	..	..
Soshit Dal	155	..	..
Independents	282	739	33
Republican Party	...	2	1

(The 1969 figures are unofficial and approximate. As many as 22 parties were in the field).

Punjab:

The number of seats 104; Total number of candidates 299; Electorate 6,691,885.

In the February, 1967 General Election, the number of candidates was 602 and the total electorate 6,284,672.

The party-wise break-down of candidates was:

Party	No. of candidates in '69.	No. of candidates in '67	No. successful in 1967.
Congress	103	100	47
Akali Dal	68	...	...
Jana Sangh	32	49	9
CPI	28	20	5
CPM	9	12	3
Republican Party	33	17	3
Swatantra	7	10	..
SSP	7	8	1
P-SP	..	9	..
Janata Party	12	..	..
Independents	..	257	10

(The figures of candidates for 1969 are unofficial and approximate).

Uttar Pradesh:

The number of seats 425; Total number of candidates 2,870; Electorate 45 million approximately.

In the February, 1967 General Election, the number of candidates was 3,013 and the electorate 42,148,099.

The party-wise break-down of candidates was:

Party	No. of candidates in '69.	No. of candidates in '67	No. successful in 1967.
Congress	424	425	199
Jana Sangh	397	401	98
SSP	252	254	44
Swatantra Party	68	207	12

P-SP	101	167	11
CPI	100	96	13
CPM	28	57	1
Bharatiya Kranti Dal	408	...	...
Independents	...	1238	37
Nineteen other parties were separately fielding	1092	...	...

(The figures of candidates for 1969 are unofficial and approximate).

West Bengal:

The number if seats 280; Total number of candidates 952; Electorate 20,628,394.

In the February, 1967 General Election, the number of candidates was 1,508 and the electorate 20,240,098.

Party	No. of candidates in '69.	No. of candidates in '67	No. successful in 1967.
Congress	280	280	127
United Front of 12 parties	270	...	...
Indian National Democratic Front	195	...	...
Jana Sangh	59	58	1
Lok Dal	59	...	...
Progressive Muslim League	48	...	...
P-SP	24	26	7
National Party of Bengal	17	...	...
CPI	...	62	16
CPM	...	135	43
Swatantra	...	21	1
Republican	...	1	...
Unrecognized Parties	...	122	47
Independents	...	327	31

The party-wise break-up of United Front candidates for the 1969 election was: CP(M) 97, Bangla Congress 49, CPI 36, Forward Bloc 28, RSP 17, SSP 13, Socialist Unity Centre 7, Gorkha League 4, RCPI 2, Workers' Party 2, Forward Bloc-Marxist 1 and UF-supported Independents 14.

Nagaland:

Out of a total of 142 candidates for the quinquennial election in nization contested all the 40 seats, in the State Assembly, 70 were Independents.

The ruling Naga Nationalist Organization contested all the 40 seats, while the United Naga Front fielded 32 candidates.

The 1967 Results:

The Congress had polled the maximum number of valid votes in the February, 1967 General Election in all the four States—Bihar, Punjab, Uttar Pradesh and West Bengal.

The tables below give details of the number and percentage of valid votes polled by the different political parties in 1967:

Bihar:

Party	Valid votes polled—1967	Percentage
Congress	4,479,460	33.08
Independents	2,420,743	17.88
SSP	2,385,961	17.62
Jana Sangh	1,410,722	10.42
P-SP	942,889	6.96
CPI	935,977	6.91
Swatantra	315,184	2.33
CPM	173,656	1·28
Republican Party	23,893	0.18
Unrecognized parties	451,412	3.33

Punjab:

Party	Valid votes polled—1967	Percentage
Congress	1,556,576	36.56
Independents	720,956	16.94
Akali Dal (Sant Fateh Singh Group)	1,050,488	24.68
Jana Sangh	418,921	9.84
CPM	135,820	3.19
CPI	224,531	5.27
Swatantra	21,509	0.51
Republican Party	76,089	1.79
P-SP	21,635	0.51
SSP	30,591	0.72

Uttar Pradesh:

Party	Valid votes polled—1967	Percentage
Congress	6,912,104	32.20
Jana Sangh	4,651,738	21.67
Independents	4,012,186	18.69
SSP	2,140,924	9.97
Swatantra	1,016,284	4.73
Republican Party	889,010	4.14
P-SP	878,738	4.09
CPI	692,942	3.23
CPM	272,565	1.27

West Bengal:

Party	Valid votes polled—1967	Percentage
Congress	5,207,930	41.13
CPM	2,293,026	18.11
Independents	1,708,011	13.49
CPI	827,196	6.53
SSP	269,234	2.13
P-SP	238,694	1.88
Jana Sangh	167,934	1.33
Swatantra	102,576	0.81
Republican Party	1,253	0.01
(Other recognized parties)	561,148	4.43
Unrecognized parties	1,286,028	10.16

Votes Polled In Previous Elections:

More people exercised their franchise in the General Elections to the Bihar, Punjab, Uttar Pradesh and West Bengal Legislative Assemblies in 1967—in relation to the total electorate in these States—than in 1962, indicating a greater political consciousness among the people.

The tables below give details of the electorate, votes cast and percentages in 1967 and 1962.

Bihar:

Constituencies	Electorate		Votes polled		Percentage	
	1967	1962	1967	1962	1967	1962
General	21,527,219	17,241,855	11,838,010	8,519,401	54.99	49.41
SC Reserved	3,925,464	2,766,916	1,671,989	1,088,637	42.59	39.35
ST Reserved	2,290,507	2,106,270	781,598	780,706	34.12	37.07

Punjab:

Constituencies	Electorate		Votes polled		Percentage	
	(In 1967 after separation of Haryana)					
	1967	1962	1967	1962	1967	1962
General	4,920,143	8,465,924	33,580,027	5,658,560	72.76	66.84
SC Reserved	1,390,920	2,279,728	912,339	1,375,854	65.59	60.31
Total	6,311,063	10,745,652	4,492,366	7,034,414	71.18	65.48

Uttar Pradesh:

Constituencies	Electorate		Votes polled		Percentage	
	1967	1962	1967	1962	1967	1962
General	33,398,159	29,207,191	18,901,417	15,718,618	56.59	53.82
SC Reserved	8,749,940	7,454,657	4,088,334	3,141,593	46.72	42.14
Total	42,148,099	36,661,848	22,989,751	18,860,211	54.55	51.44

West Bengal:

Constituencies	Electorate		Votes polled		Percentage	
	1967	1962	1967	1962	1967	1962
General	15,296,412	13,862,522	10,329,149	8,069,700	67.53	58.21
SC Reserved	3,861,315	3,181,996	2,426,233	1,531,447	62.83	48.13
ST Reserved	1,082,371	961,117	623,046	401,639	57.56	41.79
Total	20,240,098	18,005,635	13,378,428	10,002,786	66.10	55.55

[SC=Scheduled Castes and ST=Scheduled Tribes]

Bihar Results:

The mid-term elections were held is Bihar on February 9 and the following are the final results:

Total seats 318; declared 317.

Congress	118
SSP	52
Jana Sangh	34
CPI	25
P-SP	17
Janata	14
Hul Jharkhand	10
Loktantrik Congress	9
Soshit Dal	6
BKD	6
Swatantra	3
CPI (M)	3
Forward Bloc	1
Independents	19

[Polling in the Masrakh constituency was countermanded following the death ol one of the candidates.]

Thus, Congress emerged as the largest single party, with the SSP as the next largest. No single party could claim an absolute majority to be able to form the Government.

On February 19, Sardar Harihar Singh was elected leader of the Bihar Congress Legislature Party and on February 20, the former SVD Chief Minister, Mr. Bhola Paswan Shastri, was elected leader of the three-party alliance comprising the SSP, P-SP and Loktantrik Congress Dal.

Mr. Bhola Paswan's election followed a compromise arrived at between the P-SP and LCD on the one hand and the SSP on the other on the issue of leadership. The three parties combined had a strength of 78.

Nagaland Results:

The elections were held in Nagaland on February 6, 8 and 10, and the following are the results:

Total seats 52 (12 to be nominated); declared 40.

Nagaland Nationalist Organization	22
United Front of Nagaland	10
Independents	8

All the 12 nominated members from Tuensang and seven of the eight successful Independents joined the Nagaland Nationalist Organization on February 17 to raise its strength to 41 in the 52-member Assembly.

Thus, the ruling Naga National Organization (NNO) was voted back to powed.

The NNO Legislature Party met in Kohima on February 19 and elected Mr. Hokishe Sema as its new leader.

The Governor of Nagaland, Mr. B. K. Nehru, dissolved the previous Legislative Assembly on February 16.

The State Chief Minister, Mr. T. N. Angami, submitted the resignation of his Cabinet on February 16.

Punjab Results:

The elections were held in Punjab on February 9 and the following are the results:

Total seats 104; declared 103

Akali Dal	43
Congress	38
Jana Sangh	8
CPI	3
SSP	2
CPI (M)	2
P-SP	1
Swatantra	1
Janata Party	1
Independents	4

[The Lambi constituency in Ferozepore district went to the polls on March 2.]

The Akali Dal Legislature Party, the largest group in the newly-elected Punjab Assembly, chose on February 13 Mr. Gurnam Singh as its leader and authorized him to negotiate with other non-Congress parties on formation of a coalition Ministry in the State.

Mr. Gurnam Singh, former judge and Chief Minister of the first coalition Government in Punjab, returned to office 15 months after defection by 16 members from his party had led to the down-fall of his Ministry. Later, he formed a coalition with the Jana Sangh, which has eight seats in the Assembly. Thus, the Akali-Jana Sangh coalition achieved a strength of 51 in a House of 103.

On February 19, Sardar Harinder Singh, a former Minister, was unanimously elected Leader of the State Congress Legislature Party. He will now be Leader of the Opposition in the Punjab Assembly.

Uttar Pradesh Results:

The elections were held in Uttar Pradesh on February 5, 7, 9 and 20 and the following were the results:

Total seats 425.

Congress	211
Jana Sangh	49
BKD	99
SSP	33
P-SP	3
CPI	4
CPI (M)	1
Swatantra	5
Republican	1
Hindu Mahasabha	1
Independents and others	18

The Congress thus secured more seats than it had in the previous Assembly, and was, by itself, only two short of an absolute majority. But, it was able to secure the co-operation of the Swatantra and Independents to be able to form a reasonably stable Ministry.

West Bengal Results:

The elections were held on February 9 and the following are the results:

Total seats 280.

Congress	55
United Front	218
CP (M)	80
CPI	30
B. Cong.	33
SSP	9
FB	21
FB (M)	1
RSP	12
SUC	7
RCPI	2
GL	4
LSS	4
WP	2
Ind. UF	9
P-SP (UF)	4
P-SP	1
Lok Dal	..
National Party of Bengal	..
INDF	1
PML	3
Jana Sangh	..
Swatantra	..
Proutist	..
Ind.	2
Total	280

All United Front parties had distributed the constituencies even before the elections and had contested the elections as members of the "United Front" but on behalf of their respective parties. Thus, the "United Front" has a total effective strength of 218 in a House of 280, and was able to form a Ministry Mr. Ajoy Mukherjee (Bangla Congress), the former Chief Misister, was elected Leader, and Mr. Jyoti Basu, CPI (M) deputy leader on February 20.

On February 16, the West Bengal Pradesh Congress Legislature Party unanimously elected Mr. Siddhartha Shankar Ray as leader of the party in the State Assembly.

The former Chief Minister, Mr. P. C. Sen proposed Mr. Ray's name, which was seconded by Mr. Bijoy Singh Nahar. Thus, Mr. Ray became the leader of the Opposition in the Assembly.

The Congress has a strength of 55 in the 280-member Assembly.

Recall Of West Bengal Governor Demanded:

The CPI (M), after a meeting of West Bengal Committee on February 16, demanded the immediate recall of the Governor, Mr. Dharma Vira from the State, because "no normal relations can be established between the present Governor and the new United Front Ministry".

A statement issued by the party said: "The role played by the Governor and the Central Congress Government has been squarely condemned by the people. In such a situation, the least that is required is that the Governor should be immediately removed from the State".

Election Results Round-up:

A striking feature of the mid-term elections was that except in West Bengal where the two Commusist Parties made decisive gains, the major all-India parties were jolted badly, and regional and local groups and parties gained at their expense.

Thus, in Bihar, while the Congress and the Jana Sangh had more or less maintained their pre-election standing, the SSP, which was the second largest party in the last Assembly, lost nearly a third of its seats. This led to swelling the number of Independents who fought under the banners of various local parties.

In UP this phenomenon was even more marked. Though the Congress had a slight gain, all the other all-India parties suffered heavy losses, the largest loser being the Jana Sangh (the second largest party in the last elections), whose strength was cut by half from 98 to 48.

The CPI and the Swatantra each lost about two-thirds of their strength in the last Assembly, while the SSP lost one-fourth of its members.

The gainer from all these landslide reverses of all-India parties was Mr. Charan Singh's Bharatiya Kranti Dal (BKD) which did not exist at the time of the last elections and which had now emerged as the second largest party with 98 seats.

Likewise, in Punjab, the beneficiary was the Akali Party whose strength rose from 26 to 43, a gain of 66 per cent, at the expense of the Congress, Jana Sangh and CPI. The Congress lost 20 per cent of its strength, CPI 50 per cent and the Jana Sangh one out of nine seats. But, in the context of the peculiar pre-election situation in Punjab, the losses of the Jana Sangh may be considered heaviest. In view of the Akali-Jana Sangh alliance, it was confident of emerging as the second largest party. Judged from this stand-point, it had been virtually routed.

The Swatantra and SSP can derive small comfort from the fact that the former gained one seat where it had none before, while the latter increased its strength from one to two in the Punjab Assembly. The P-SP was not represented in the last Assembly, but managed to get one seat this time.

In West Bengal, while the Congress was completely routed, the Swatantra and Jana Sangh lost the only seat each had in the last Assembly. In spite of the support of the United Front, the strength of the P-SP was reduced from seven to five.

The Bangla Congress which entered the Assembly immediately after the previous elections with barely two seats secured 33 seats in the elections.

Thus, on the whole, it may be said that, in the mid-term polls, regional parties had carried the day.

(**The Statesman,** Calcutta and New Delhi, **The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 7619:INI:A, 8259:INI:K, 8399:INI:L, 8628:INI:K]

B. **Central Cabinet Re-shuffle:** The Prime Minister, Mrs. Indira Gandhi, announced on February 14 an extensive Cabinet re-shuffle without any major changes at the top level but introducing a wide range of personnel and structural adjustments at the middle and lower levels.

While the Deputy Prime Minister, Mr. Morarji Desai, the Home Minister, Mr. Y. B. Chavan, the Defence Minister, Sardar Swaran Singh, and the Food and Agriculture Minister, Mr. Jagjivan Ram, retained their present portfolios, Mr. Dinesh Singh was appointed External Affairs Minister and Mr. B. R. Bhagat promoted to Cabinet rank with the newly-created portfolio of Foreign Trade and Supply.

Three Deputy Ministers—Mr. D.R. Chavan, Mr. Bhakt Darshan and Mr. B. S. Murthy—were promoted to the rank of Ministers of State and given more important responsibilities in some of the newly-created Ministries in implementation of the Administrative Reforms Commission's recommendations for reorganization of the Central Government.

The Prime Minister divested herself of External Affairs to be able to devote herself to the higher direction of Government. She now retains only Atomic Energy and Planning Departments.

Dr. Triguna Sen was transferred from the Ministry of Education to the newly-created Ministry of Petro-chemicals, Metals and Mines, with Mr. Jagannath Rao and Mr. D. R. Chavan as his Ministers of State.

Mr. C. M. Poonacha was appointed Minister of Steel and Heavy Engineering—another new Ministry created in the current re-shuffle—with Mr. K. C. Pant assisting him as a Minister of State.

The Education portfolio went to Dr. V.K.R.V. Rao with a newly-created Department of Youth Services attached to it and with Mr. Bhakt Darshan who was promoted to the rank of Minister of State.

Mr. K. K. Shah was shifted from Information and Broadcasting to a bigger Ministry combining Health and Family Planning and Works, Housing and Urban Development, with Dr. S. Chandrasekhar and Mr. B. S. Murthy as Ministers of State to assist him.

Mr. Satya Narain Sinha was given back the Information and Broadcasting portfolio with the Department of Communications added to it, as recommended by the ARC. Mr. I. K. Gujral would be a Minister of State in this Ministry.

Dr. Ram Subhag Singh was given the Ministry of Railways with Dr. Parimal Ghosh continuing as a Minister of State. Mr. K. Raghuramaiah took Dr. Ram Subhag Singh's place as Minister for Parliamentary Affairs as a Minister of State, but with the added responsibility of Shipping and Transport given up by Dr. V. K. R. V. Rao.

Mr. Fakhruddin Ali Ahmed retained his present portfolio of Industrial Development and Company Affairs with the addition of a new Department of Internal Trade to his Ministry, following the split of the Commerce Ministry into Internal and External Trade Divisions.

There was no change in the portfolios of Mr. J. L. Hathi, Labour Minister, Dr. Karan Singh, Minister for Tourism and Civil Aviation, and the Law Minister, Mr. Govinda Menon. Dr. K. L. Rao also retained independent charge of Irrigation and Power as a Minister of State.

The Prime Minister announced these Cabinet changes after meeting Mr. K. Kamaraj, who had asked for some time to make up his mind about joining the Cabinet. He advised her to go ahead with the proposed Cabinet re-shuffle without waiting for his decision.

The following is the list of the Council of Ministers and their portfolios:

Prime Minister: Mrs. Indira Gandhi—Atomic Energy and Planning.

Deputy Minister attached to the Prime Minister—Mrs. Nandini Satpati.

Deputy Prime Minister: Mr. Morarji Desai—Finance, Minister of State for Finance—Mr. P. C. Sethi, Deputy Minister for Finance—Mr. Jagannath Pahadia.

Home Minister—Mr. Y. B. Chavan. Minister of State for Home Affairs—Mr. V. C. Shukla. Deputy Minister for Home Affairs—Mr. K. S. Ramaswamy.

Minister for Food, Agriculture, Community Development and Co-operation—Mr. Jagjivan Ram. Ministers of State—Mr. A. P. Shinde and Mr. M. S. Gurupadaswamy. Deputy Minister for Food and Agriculture—Mr. D. Ering.

Minister for Labour and Rehabilitation—Mr. Jaisukhlal Hathi. Minister of State—Mr. Bhagwat Jha Azad. Deputy Minister—Mr. S. C. Jamir.

Minister for Tourism and Civil Aviation—Dr. Karan Singh. Deputy Minister—Miss Sarojini Mahishi.

Minister for Health, Family Planning, Works, Housing and Urban Development—Mr. K. K. Shah. Ministers of State—Mr. B. S. Murthy and Dr. S. Chandrasekhar.

Minister for Law and Social Welfare—Mr. P. Govinda Menon, Minister of State—Mrs. Phulrenu Guha. Deputy Ministers—Mr. Mohamed Yunus Saleem and Mr. J. B. Muthyal Rao.

Minister for Steel and Heavy Engineering—Mr. C. M. Poonacha. Minister of State—Mr. K. C. Pant. Deputy Minister—Mr. Mohamed Shafi Qureshi.

Minister for Railways—Dr. Ram Subhag Singh. Minister of State—Mr. Parimal Ghosh. Deputy Minister—Mr. Rohanlal Chaturvedi.

Minister for Information and Broadcasting and Communications—Mr. Satyanarayan Sinha. Ministers of State—Mr. I. K. Gujral and Mr. Sher Singh.

Minister for Industry, Internal Trade and Company Affairs—Mr. Fakhruddin Ali Ahmed. Minister of State—Mr. Raghunath Reddy. Deputy Minister—Mr. Bhanu Prakash Singh.

Minister for Education and Youth Services—Dr. V. K. R. V. Rao. Minister of State—Mr. Bhakt Darshan. Deputy Minister—Mrs. Jahanara Jaipal Singh.

Minister for Defence—Sardar Swaran Singh. Minister of State—Mr. L. N. Mishra. Deputy Minister—Mr. M. R. Krishna.

Minister for External Affairs—Mr. Dinesh Singh. Deputy Minister—Mr. Surendra Pal Singh.

Minister for Petro-chemicals, Mines and Metals—Dr. Triguna Sen. Ministers of State—Mr. Jagannath Rao and Mr. D. R. Chavan.

Minister for Foreign Trade and Supply—Mr. B. R. Bhagat. Deputy Minister—Mr. Ram Sewak.

The following Ministers of State were given independent charge of Ministries:

Minister for Parliamentary Affairs, Shipping and Transport—Mr. K. Raghuramaiah. Deputy Minister—Mr. Iqbal Singh.

Minister for Irrigation and Power—Dr. K. L. Rao. Deputy Minister—Mr. Siddheshwar Prasad.

Allocation Of Business Among Ministries:

According to a notification issued on February 18 as a result of the Cabinet re-shuffle, cotton textiles, jute, coir and plantation industries will continue to remain with the Ministry of Foreign Trade (formerly known as the Ministry of Commerce).

The new Department of Internal Trade in the Ministry of Industrial Development will deal with only inter-State trade, prices of essential commodities, trade marks, village industries (including khadi and the Forward Markets Commission.) Handicrafts has, however, been retained by the Ministry of Foreign Trade, because it is an export-oriented industry.

The notification, however, made it clear that there would be no separate Department of Youth Services in the Ministry of Education.

The Ministry of Foreign Trade will consist of two departments—the Department of Foreign Trade and the Department of Supply. The latter has been physically added from the previous Ministry of Works, Housing and Supply within any change in subjects handled.

The Ministry of Health will have three departments—one for Health, another for Family Planning and a third for Works, Housing and Urban Development.

Similarly, the Ministry of Industrial Development will have a Department of Industrial Development, Department of Company Affairs and a new Department of Internal Trade.

(PIB, The Times of India and **The Statesman,** New Delhi)
[Prev. ref. 7625:INI:A, 8649:INI:K]

C. President's Address To Parliament: The President, Dr. Zakir Husain, re-iterated on January 17 in his Address to a joint session of Parliament India's keen desire to settle its disputes with both China and Pakistan "consistent with our sovereignty, territorial integrity and on the basis of absolute non-interference in each other's internal affairs."

He said that in the present-day world, there was no alternative to peaceful co-existence among all nations and the Government was fully convinced of the continuing validity of the broad structure and principles of its foreign policy.

Opening the Budget session of Parliament, he took care to caution the world at the same time that, while India ardently desired peace and was dedicated to the promotion of international co-operation, she had to be quite vigilant about her defence.

He also gave a reassuring and optimistic picture of the country's economic recovery during the last year after two successive droughts.

He noted with satisfaction the decisive upward trend in both agriculture and industry leading to relative price stability and an overall improvement in the balance of payments position.

He stressed that there could be no integrated economic development without political stability. He deplored the disturbing trends of parochialism, regionalism and communalism and the general atmosphere of violence in the country and appealed to the people to make a united and purposeful effort to create an India of Mahatma Gandhi's dreams and "endeavour to wipe every tear from every eye."

Although the mid-term elections in Punjab, Uttar Pradesh, Bihar and West Bengal had by and large been conducted in a peaceful and orderly atmosphere, he said, there were still some disquieting reports of violence and intimidation which prevented the people from exercising their franchise. While the Government was looking into the reports, the people in general must play their part in preserving political stability which was essential for social and economic development.

He expressed the hope that, with the co-operation of all political parties, stable Governments would be formed in all the States where mid-term elections had taken place.

He expected Parliament to carefully consider the recommendations of the Committee on Defections to ensure continued political stability and the smooth functioning of democracy in the country.

He also stressed the imperative need for maintaining discipline in the public services through a system of harmonious relationship between the Government and its employees in various spheres, and welcomed the decision to give a statutory basis to the joint consultation and compulsory arbitration machinery for redressing the grievances of Government servants.

The Address this time was devoted almost entirely to a review of the general economic recovery of the country from the nightmare of two successive droughts. Though the bumper harvest of 1967-68 proved a welcome turning point, the country had to struggle hard in the industrial sphere as well to recover from the ravages of the worst economic setback since Independence.

Now, happily, he said, there was a decisive upward trend in agriculture, the industry was recovering from recession, the employment position was improving and the Government was doing whatever possible to harness the rural prosperity to promote economic growth in various spheres. But, the President cautioned that the Government's philosophy of planned development should primarily seek to bridge the wide gap still existing between the needs of the people and the resources available.

(The Times of India and PIB,
New Delhi)

[Prev. ref. 8195:INI:A]

D. Railway Budget For 1969-70: The Railway Budget for 1969-70, presented to Parliament by the new Railway Minister, Dr. Ram Subhag Singh, on February 19, did not propose any increase in passenger fares and freight rates. The absence of any fresh burden on rail users, for the first time in many years, was welcomed by members of both Houses.

Dr. Ram Subhag Singh said that the Railways would have a nominal surplus of Rs. 1.91 crores in the coming financial year, after four consecutive years of deficit. This, however, depended on costs not going up for reasons beyond the control of the Railway administration.

He disclosed that the revised estimates for 1968-69 showed a net deficit of Rs. 10.01 crores contrary to the Budget expectation of a surplus of Rs. 1 crore. A temporary loan of Rs. 18.69 crores was being obtained from the General Revenues to finance expenditure charged to the Development Fund. The Revenue Reserve Fund would owe Rs. 45.80 crores to the General Revenues at the end of 1969-70.

He emphasized the need for Railways to generate sizable surpluses in the coming years not only to repay the loans from the Government but also build up the Development Fund adequately.

He disclosed that the Railway Board was considering rationalization of the fare and freight structure on the basis of the results of several cost studies into various aspects of railway operations.

He expressed concern over the "menace" of ticketless travel, which had become a "law and order" problem and appealed for the expeditious approval of a Bill on the subject which would come up before Parliament shortly.

Another distressing feature to which he made particular reference was the fact that Railway properties were increasingly becoming the target of attack and violence "arising from diverse matters not even remotely connected with Railway operations."

The Budget for 1969-70 estimated receipts at Rs. 946.8 crores and working expenses at Rs. 655.35 crores. The estimated gross receipts for 1969-70 would be Rs. 45 crores more than the revised estimates for 1968-69, while working expenses would be higher by Rs. 25.35 crores. According to the revised estimates for 1968-69, net revenue for the year would be Rs. 141.32 crores. This was Rs. 10.01 crores less than the dividend liability of Rs. 151.33 crores for the year. The short-fall was proposed to be met from drawals from the Revenue Reserve Fund.

The gap was attributed mainly to post-Budget increases amounting to Rs. 20.66 crores on account of revision of dearness allowance, travelling and running allowances, additional expenditure consequent on merger of DA with pay and increases in coal and electricity rates.

These increases were partly offset by a reduction of Rs. 5 crores in contribution to the Depreciation Reserve Fund (reflecting the lower estimate of withdrawal from the Fund this year) and the expected increases of Rs. 9.65 crores in gross traffic receipts.

The actuals for 1967-68 also turned out to be disappointing. The net revenue at Rs. 110 crores was Rs. 31.53 crores short of the dividend liability for the year. The gap was covered by withdrawal from the Revenue Reserve Fund. Of this, about Rs. 22.65 crores was due to higher staff costs.

Revenue earning freight traffic was expected to rise by 9,000,000 tonnes over the current year and yield Rs. 600 crores.

The revival of passenger traffic noticed since August, 1968 was expected to be maintained, resulting in an increase of three per cent during the year and yielding Rs. 273 crores.

Other coaching earnings were estimated at Rs. 47.5 crores and sundry earnings at Rs. 30.5 crores. An allowance of Rs. 4.2 crores had been made for an increase in unrealized sundry earnings.

A provision of Rs. 255 crores had been made for next year for investment in works, rolling stock and machinery. Rolling stock and machinery, including advances to private manufacturers for materials, will account for Rs. 118 crores and net expenditure on works would amount to Rs. 134 crores. A reduction of Rs. 4 crores was expected under the head "Inventories."

He claimed that efforts to achieve economy had begun to bear fruit. There had been no staff increase in 1967-68 and in the current year, the increase would be proportionately less than the anticipated increase of 8,000,000 tonnes of traffic. While this was encouraging, since nearly two-thirds of the Railways' working expenses were on staff, he assured continued effort to improve productivity.

Fourth Plan Outlay:

The Chairman of the Railway Board, Mr. G. D. Khandelwal, told a news conference on February 18 that the Fourth Plan outlay for the Railways would be Rs. 1,525 crores, but this would not include Rs. 50 crores to be made available for Metropolitan services.

He said that actual allocation would be on the basis of annual reviews.

The Financial Commissioner of Railways, Mr. B. Mukherji, explaining the Budget provisions, took comfort in the fact that the Railways had moved from a state of deficit to surplus.

Both Mr. Khandelwal and Mr. Mukherji admitted that the increase in passenger traffic in the current year would be a little under two per cent, as against the anticipated increase of 3.5 per cent. They expected, however, the upward trend to be maintained in the coming months, and the increase in the coming year was expected to be of the order of three per cent.

Increase In Earnings:

The Directorate of Statistics and Economics of the Railway Board circulated along with the Railway Budget on February 19 a document

Railway Budget At A Glance:

(Rupees in crores)

	Actuals 1967-68	Budget Estimates 1968-69	Revised Estimates 1968-69	Budget Estimates 1969-70
Gross Traffic Receipts.	818.14	892.50	902.15	946.80
Ordinary Revenue Working Expenses (Net) i.e., after taking credit for recoveries.	588.22	614.01	640.00	665.35
Appropriation to Depreciation Reserve Fund from Revenue.	95.00	100.00	95.00	95.00
Appropriation to Pension Fund.	10.00	10.00	10.00	10.00
Net Miscellaneous Expenditure. (including cost of Works charged to Revenue).	14.92	15.49	15.83	15.53
Total :	708.14	739.50	760.83	785.88
Net Railway Revenue.	110.00	153.00	141.32	160.92
Dividend to General Revenues.	141.53	152.00	151.33	159.01
Net Surplus (+) Deficit (—)	(—) 31.53	(+) 1.00	(—) 10.01	(+) 1.91

entitled "A Review of the Performance of the Indian Government Railways February, 1969."

It pointed out that by efficiency of Railway working over the years and increased productivity of Railway assets, the Railways had kept the increases in freight rates and fares well below the rise in the **per capita** cost of staff and the prices of materials.

Against increases of 139 per cent in the price of coal, 155 per cent in the price of iron and steel manufactures and 116 per cent in the **per capita** cost of slag between 1950-51 and 1967-68, the increase in the average rate realised per tonne kilometre and passenger kilometre was only 53 per cent and 59 per cent respectively. The benefit of the economics of scale had thus been passed on to the users.

After two years of stagnation in freight traffic, there were signs of a revival of traffic in the current year consequent upon a revival in industrial growth. An additional 5½ million tonnes of revenue-earning originating goods traffic was lifted during the first nine months of 1968-69, which conforms to the Budget estimates.

The trend of increase in passenger traffic since the end of the First Plan continued into 1967-68, but the rate of growth slowed down. The trend of increase in the average lead of passenger traffic continued in 1967-68. The number of journeys **per capita** ranged between 4.1 and 4.4 per annum in the last five years. In the current year, there was a halt in the growth of passenger traffic which might be considered temporary.

New Trains Introduced:

Up to the end of October, 1968, the Railways had introduced 23 new trains, of which 13 were on the broad gauge and ten on the metre gauge. The runs of 22 existing trains—eight on the broad gauge and 14 on the metre gauge—had been extended.

To augment the suburban services, 33 new trains were introduced—24 on the broad gauge and nine on the metre gauge—and the run of ten trains was extended.

A number of new long-distance trains introduced during the year account for over 3,000 train kilometres per day. They include the Paschim Express between Bombay (Central) and Amritsar.

The Rajdhani Express was introduced from March 1 between New Delhi and Howrah. It will be a biweekly service covering the distance of 1,445 km in less than 18 hours.

About 115 third class sleeper coaches had been added to the 1,260 in service at the beginning of this year. More third class sleeper coaches are to be built next year.

Review Of Accidents:

Railway accidents during 1967-68 were the lowest on record.

As against 6,017 accidents in 1965-66 and 5,889 in 1966-67, the number of accidents in 1967-68 was 5,502.

This improving trend of safety on Indian Railways was disclosed in a review of accidents for 1967-68 brought out by the Directorate of Safety of the Railway Board.

(PIB, The Hindustan Times and The Times of India, New Delhi)

[Prev. ref. 8203:INI:A, 8272:INI:Q]

E. Mr. C. N. Annadurai Passes Away—New Ministry In Tamil Nadu: The Chief Minister of Tamil Nadu, Mr. C. N. Annadurai, died at the Adyar Cancer Institute in Madras on February 3.

Mr. Annadurai was operated upon for the removal of a cancerous growth in the gullet in the middle of September, 1968 at the Manhattan Memorial Hospital in New York.

After his return, he had seldom stirred out of his house. He attended to Government business at his home.

Exploratory Operation:

His state of health caused concern and after he was examined by specialists at his residence, he was admitted to the Cancer Institute at Adyar on January 20. An exploratory operation to diagnose the exact nature of his ailment was performed at the Institute on January 25 by Dr. Theodore Miller of the Manhattan Memorial Hospital, helped by a team of Indian doctors, led by Dr. C. S. Sadasivam, thoracic surgeon of the General Hospital. The probe revealed a small mass of cancerous glands high up in the abdominal cavity. Dr. U. K. Henschke, radiologist of the Manhattan Memorial Hospital, implanted radio-active iridium "seeds" in the cancerous tissue which was said to have been inoperable. On January 27, Mr. Annadurai developed "chest complications" and was put under an intensive care programme.

Two days later (January 29), Mr. Annadurai suffered a severe heart attack. The Legislative Assembly and Council, which were debating the Governor's Address, were abruptly adjourned indefinitely and DMK members as well as those of other parties rushed to the Cancer Institute. Next day (January 30), he developed pulmonary oedema and hovered on the brink of death. He miraculously responded to treatment even as doctors seemed to be in despair. A premature report of his death was circulated by a news agency which, soon after, issued a correction. But the end was near.

Early on January 31, Mr. Annadurai's heart stopped beating for some seconds. It was soon revived by the alert doctors. But the effects of the cardiac arrest, in conjunction with the side effects of the radio-active iridium implantation, were too much for the tired body. He lost consciousness soon after the heart stoppage and never regained it.

He was buried on February 4.

Messages:

The President of India, Dr. Zakir Husain, in a message, said that the demise of Mr. Annadurai "is a loss not only to Tamil Nadu but the whole of India."

The Prime Minister, Mrs. Indira Gandhi, said: "It is tragic that death has taken him from us when he had so much more to give to the people. The nation mourns the man of wisdom whose high sense of duty earned him widespread respect."

New Ministry:

Immediately after the death of Mr. Annadurai, Mr. V. R. Nedunchezhian, Minister for Industries and leader of the House in the State Assembly, was sworn-in as acting Chief Minister by the State Governor, Sardar Ujjal Singh.

On February 9, Mr. M. Karunanidhi was unanimously elected leader of the DMK Party.

Mr. V. R. Nedunchezhian, acting Chief Minister, declined to stand for the election although his name was proposed. He told party members that he would step down as a contest would not be in the larger interest of the party. In a talk with newsmen after the meeting, he said that he would not join the Cabinet to be formed by Mr. Karunanidhi.

Next day (February 10), a seven-member DMK Ministry headed by Mr. M. Karunanidhi was sworn-in.

Earlier, Mr. M. Karunanidhi told a news conference that his Ministry would consist of all the Ministers who served in Mr. Annadurai's Cabinet except Mr. V. R. Nedunchezhian, who had declined to join the new Cabinet.

On February 12, the strength of the Cabinet was raised to 11 with the announcement of four more names. The new Ministers are: Mr. P. U. Shanmugham, Mr. S. B. Adityan, Mr. K. V. Subbiah and Mr. O. P. Raman. They were sworn-in on February 15

Mr. Karunanidhi also announced the portfolios of the Ministers as follows:

Mr. M. Karunanidhi: Chief Minister, Public, General Administration.

Mr. K. A. Mathiazhagan: Finance, Planning and Revenue.

Mr. A. Govindaswamy: Food and Agriculture.

Mrs. Sathiavani Muthu: Public, Health and Harijan Welfare.

Mr. S. Madhavan: Industries.

Mr. Sadiq Pasha: Public Works and Minor Irrigation.

Mr. M. Muthuswamy: Local Administration.

Mr. P. U. Shanmugham: Labour.

Mr. S. P. Adityan: Co-operation and Transport.

Mr. K. V. Subbiah: Religious Endowments and Housing Board.

Mr. O. P. Raman: Electricity.

Leader Of House:

On February 15, Mr. M. Karunanidhi was appointed Leader of the House in both the Assembly and the Council.

Formerly, Mr. V. R. Nedunchezhian was leader of the House in the Assembly and Mr. C. N. Annadurai of the Council.

New Speaker:

On February 22, Mr. Pulavar K. Govindan, so far Deputy Speaker of the Assembly, was elected Speaker.

The election of a new Speaker was necessitated by the resignation in August, 1968 of Mr. S. P. Adityan, who assumed charge as a Minister on February 15.

(**The Hindu,** Madras)

[Prev. ref. 7630:INI:A, 8612:INI:A]

F. **Phulpur Lok Sabha By-election:** The SSP Secretary, Mr. Janeshwar Misra, defeated the former Central Minister, Mr. K. D. Malaviya (Congress) in the Phulpur Lok Sabha by-election by a margin of 22,305 votes in an eight-cornered contest.

Mr. Misra, who had lost to Mrs. Vijayalakshmi Pandit in 1967, polled 83,855 votes against Mr. Malaviya's 61,550.

The SSP took the seat seven years after the late Dr. Ram Manohar Lohia had challenged Mr. Jawaharlal Nehru unsuccessfully. On Mr. Nehru's death, Mrs. Pandit took the seat in a by-election and retained it in the last General Election. The seat fell vacant when she resigned after criticising the Congress leadership.

The following are the voting figures:

Janeshwar Misra (SSP)	83,855
K. D. Malaviya (Cong.)	61,550
Indu Dev (Ind.)	4,983
Badri Vishal (Ind.)	4,512
Bhagwan Dixit (Ind.)	5,259
Bholanath (J.S.)	18,922
Mubarak Muzdoor (Ind.)	34,416
Sangam Lal Pande (Ind.)	35,111

(**National Herald,** Lucknow)

[Prev. ref. 8475:INI:W]

G. **Party Strength In Lok Sabha:** The strength of the Congress Party in the Lok Sabha increased to 283 in a total of 520 with the election of Mr K. Kamaraj from the Nagarcoil constituency.

The Swatantra Party has 42 members, Jana Sangh 33, including Mr. Jai Singh returned from Hoshiarpur in a recent by-election, Dravida Munnetra Kazhagam 25, Communist Party of India 24, CPI (Marxist) 19, Samyukta Socialist Party 18, (including Mr. Janeshwar Misra who won the Phulpur by-election), Praja-Socialist Party 18 and Independents 58.

(**The Statesman,** New Delhi)

[Prev. ref. 7621:INI:A]

H. **Haryana Congress Regains Assembly Majority:** The Haryana Congress Legislature Party, which was rocked by defections in October and November, 1968, regained its absolute majority on January 16 with the admission of Independent members of the Assembly into the party fold.

They were: Mr. Harpal Singh, Mr. Hem Raj and Mr. Rajinder Singh.

The strength of the Congress Party in the 81-member Legislative Assembly thus went up to 43.

The Chief Minister, Mr. Bansi Lal, told newsmen in Chandigarh that Mr. Rajinder Singh, another Independent who did not attend the Legislature Party meeting on January 16, would be admitted at the next meeting scheduled for January 27.

He re-iterated that he enjoyed the support of 50 Congressmen in the House as no Congress MLA who had "reportedly defected" had so far resigned from the party.

But, on January 21, the Supreme Court struck down the election of the Congress MLA, Mr Pratap Singh, thus reducing the Congress Party's strength by one.

On January 22, Mr. Rooplal Mehta, Congress member of the Haryana Legislative Assembly, resigned from the party and joined the Samyukta Vidhayak Dal.

The SVD leader claimed that with the resignation of Mr. Mehta, the strength of his group, the SVD, in the State Assembly had increased to 40 in a 81-member House.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8732:INI:R]

TURKEY

A. Mr. S. Caglayangil On NATO Tanks Supplied To Pakistan: The Foreign Minister, Mr. Ihsan Sabri Caglayangil, told the Foreign Correspondents' Club in Tokyo on January 18 that his country would not act on the proposed sale of NATO tanks to Pakistan in a manner that would disturb the balance of power in the Indian sub-continent.

He said that no NATO arms or equipment, even obsolete, could be disposed of without consultations among all NATO members, who included USA.

He said that both the United States and Turkey were friendly with India.

(**The Japan Times**, Tokyo)

[Prev. ref. 8707:INI:D]

ASIA OUTSIDE ASIA

SUMMARY: Mr. R. Nixon Sworn-in As US President; US "State Of The Union" Message By Mr. L. B. Johnson; US Aid Programme; Bomb Explosion Aboard "USS Enterprise".

A. Mr. Richard Nixon Sworn-in As US President: Mr. Richard M. Nixon (56) was sworn-in as America's 37th President in Washington on January 20.

He took the oath of office on two Bibles, both family heirlooms. While he raised his right hand in the traditional oath-taking gesture, his left hand rested on a celebrated Biblical passage which read: "And he shall judge among the nations and shall rebuke many people: and they shall beat their swords into ploughshares and their spears into pruning hook: nation shall not lift up sword against nation, neither shall they learn war any more."

The oath of office was administered by the Chief Justice, Mr. Earl Warren.

The Senate minority leader, Mr. Everett Dirksen, known for his melodious and resonant voice, administered the oath to Mr. Spiro Agnew as Vice-President.

In his inaugural address which contained an eloquent plea for peace, Mr. Nixon said: "I shall consecrate my life, my energies and all the wisdom I can summon to the cause of peace among nations."

Wanting this pledge to be known all round the world, he called out: "Let this message be heard by the strong and the weak alike: the peace we seek to win is not victory over any other people but peace that comes with healing in its wings, with compassion for those who have suffered; with understanding for those who have opposed us; with the opportunity for all the peoples of this earth to choose their own destiny."

Peace permeated his address. "For the first time, because the people of the world want peace and the leaders are afraid of war, the times are on the side of peace." Peace in his view had thus become a necessity. It was now an avoidance of total destruction.

In this respect, a new Nixon seemed to have evolved from the Nixon of the fifties in which he seemed to believe in peace but only on American terms. Now he wanted to pursue it with a new passion linking America's greatness with "the title of peace-maker."

"This honour," he said, "now beckons America the chance to help lead the world at last out of the valley of turmoil and onto the high ground of peace."

He did not mention Viet-Nam, though his reference to the war abroad and divisions at home was unmistakable. Nor did he mention West Asia, another smouldering area.

Using another of his campaign slogans that he had used to destroy his previous image of the cold war warrior, President Nixon said: "After a period of confrontation we are entering an era of negotiations. Let all nations know that during this Administration we seek an open world, open to ideas, open to exchange of goods and people, a world in which no people great or small will live in angry isolation."

In a passage more directly addressed to "adversaries," he invited them "to peaceful competition not in dominion but in enriching the life of man."

He also addressed an appeal for co-operation "to reduce the burden of arms, to strengthen the structure of peace and to lift up the poor and hungry."

He added: "We cannot expect to make everyone our friend, but we can try to make no one our enemy. Those who would be our adversaries, let us invite to a peaceful competition—not in conquering territory or extending dominion, but in enriching the life of man.

"I know that peace does not come through wishing for it—that there is no substitute for days and even years of patient and prolonged diplomacy.

"As we learn to go forward together at home, let us also seek to go forward together with all mankind. Let us take as our goal: where peace is unknown, make it welcome; where peace is fragile, make it strong; where peace is temporary, make it permanent.

"To all who would be tempted by weakness, let us leave no doubt that we will be as strong as we need to be for as long as we need to be."

He promised to press urgently forward in pursuing goals of full employment, better housing, education, rebuilding America's cities and improving rural areas and in enhancing the quality of life.

Security Precautions:

Extraordinary security precautions—the tightest ever devised—were ordered to protect the new President and his family as they led the parade to the White House.

On the inaugural stand in front of the Capitol building, the white-domed home of Congress where Mr. Nixon was sworn-in, and on a pavilion in front of the White House, protective shields of bullet-proof glass were erected.

All man-hole covers along the parade route were inspected and sealed to prevent any would-be assassin from hiding in the sewers.

Roofs in the area were placed out of bounds to all but the massive security force of more than 15,000 Federal agents and local police. Confetti and streamers—which could hide weapons—were prohibited and windows along the route were ordered to be kept shut.

An elaborate communications system linked security forces throughout the city. Wide-angled scanning devices were in place, with automatic weapons ready in case of trouble.

(**The New York Times** and
The Times, London)

[Prev. ref. 8659:AOA:A]

B. World's Highest Paid Persons: With the news that USA has doubled the pay of its President from the time Mr. Richard Nixon took office on January 20, it is not correct to say that the head of the world's richest country is the best paid.

While Mr. Nixon, as head of a Government ruling 3,500,000 square miles of territory, will receive an allowance of £80,000 a year, the

Grand Duke of Luxembourg, whose country covers only 1,000 square miles, gets £27,000 more than the new US President.

Several other geographically small countries pay their Heads of State far better than the Americans. At the top of the list is Queen Juliana of the Netherlands, who gets £500,000 a year. This is even more than Queen Elizabeth of Britain, whose official allowance is £475,000.

Little Belgium, next door to the Netherlands, pays its King Baudouin £350,000, while King Gustav of Sweden, King Frederik of Denmark and King Olav of Norway each receive £250,000 annually.

Even bustling Japan, one of the world's fastest growing countries economically, cannot compete with these European monarchs. Emperor Hirohito is only paid £100,000.

None of these distinguished people, however, comes anywhere near the world's highest salary. This is said to be earned by a Japanese manufacturing chemist, who draws annually £43,000,000.

And even that is dwarfed by the earnings of one famous but unacknowledged ruler. This was the uncrowned king of crime, Al Capone, the gangster of Chicago whose takings from the sale of illegal liquor in the year 1927 alone amounted to £43,000,000.

(The New York Times and **The Statesman,** Calcutta)

C. "State Of The Union" Message To US Congress: Presenting his last "State of the Union" message to the US Congress after five years in the White House, President L. B. Johnson urged the incoming Nixon Administration to press ahead with talks with Russia to reduce the nuclear missile race.

He said that "until a way is found to scale down the level of arms among the super Powers, mankind cannot view the future without apprehension".

He said he would leave office with USA's first balanced Budget since 1960 and that 1968 had ended with a surplus international balance of payments instead of a feared deficit.

He broke with tradition to speak to Congress and the nation over television just six days before leaving office. (Usually, retiring Presidents leave their final messages to be read by Congressional clerks.)

Mr. Johnson announced that he was leaving office with a major programme of domestic welfare legislation to be inherited by Mr. Nixon.

He said he had secured Mr. Nixon's agreement to continue the surtax "until his Administration and the Congress can ascertain that the facts justify permitting the surtax to expire or be reduced".

On Viet-Nam, he said: "The prospects for peace are better today than at any time since North Viet-Nam began its invasion with its regular forces more than four years ago. Americans were united in the hope that the still-stalled Paris talks with North Viet-Nam would bring an early peace. If this happened, military spending could be reduced and substantial savings could be made."

Apparently addressing himself directly to the incoming Republican Administration, he said that the future quest for peace required "that we maintain the liberal trade policies that have helped make us the leading nation in world trade; that we strengthen the international monetary system as an instrument of world prosperity; and that we seek areas of agreement with the Soviet Union where the interests of both nations, and of world peace, are served."

He said USA should resume talks with Russia about limiting offensive and defensive missile systems, which were due to start when the Soviet invasion of Czechoslovakia cast a new chill over East-West relations.

His reference to the need to "resume" the talks meant that an effort should be made to build on preliminary discussions which he and Mr. Kosygin held at Glassboro, New Jersey, when they met in June, 1967.

He pleaded for prompt US ratification of the East-West Treaty to ban the spread of nuclear weapons.

He appealed for continuing funds for foreign aid, and complained that his aid budget was cut by Congress last year "below the level of safety for ourselves and humane regard for our fellowmen".

(The New York Times)

[Prev. ref. 8316:AOA:C]

D. US Aid Programme: The US Budget statement presented to Congress with President L. B. Johnson's message on January 15 showed that the US aid programme for India, Pakistan and other countries in the Near East and South Asia in 1970 would be $679 million (about Rs. 510 crores), nearly double the much reduced 1969 figure of $352 million (Rs. 264 crores).

It said that more than 40 per cent of the programme would support improved agricultural practices and investments in water, seed, pesticides and fertilizers. "Substantial increases in food production have already been stimulated by our assistance. The US programme, along with aid from others, will help India and Pakistan expand their food production still further and enable them to take advantage of the development momentum provided by the agricultural revolution."

(The New York Times)

[Prev. ref. 8427:PAK:D, 8576:AOA:I, 8648:INI:G]

E. Bomb Explosion Aboard "USS Enterprise": A landing jet bounced a bomb on the flight deck of the nuclear aircraft-carrier, **USS Enterprise** off Honolulu in the Pacific on January 14 and set off a series of blasts which killed 25 sailors and injured 85 others.

Fifteen aircraft were destroyed in the resulting fire, which left numerous holes in the flight deck of the world's largest warship. The initial explosion was in the vicinity of an F-4 **Phantom** jet parked on the deck of the nuclear-powered carrier.

The US Navy said that within five minutes, there were four explosions followed by another series of four, but the **Enterprise's** nuclear propulsion plant was in no way badly damaged. An undetermined number of men were blown overboard and were missing in the waters south-west of Honolulu.

Three US Navy destroyers accompanying the **Enterprise** during operations off Honolulu helped fight the blaze and picked up the dead, injured and survivors from the water.

It was the fourth serious blaze in less than three years aboard US aircraft-carriers. About 129 men died and 62 were injured in a fire that raged through the **Forrestal** on July 5, 1967. Forty-three men were killed in a fire aboard the **Oriskany** in October, 1968, and in the following month (November, 1966) eight men died and 14 were injured in a blaze aboard the **Franklin D. Roosevelt.** All three of those fires occurred off the coast of North Viet-Nam in the Gulf of Tonkin.

The **USS Enterprise** is the world's largest aircraft-carrier and the first nuclear warship to enter combat.

Her statistics are 1,123 feet long equal to the height of a 100-storey skyscraper, tall as a 23-storey building from her steel keel to the top of the steel turret that caps the superstructure above the flight deck, 85,350 tons under full load, and capable of speeds exceeding 40 knots. She can cruise 20 times around the world without re-fuelling. She carries approximately 100 planes, many of them supersonic and capable of carrying nuclear weapons. She carries a crew of 4,600 men to man and service the planes and the ship.

(**The New York Times** and **The Statesman,** Calcutta)

[Prev. ref. 8261:JAP:E]

F. Soviet Offer Of Talks With USA On Nuclear Missiles: The Soviet Union re-affirmed its willingness on January 20 to begin a "serious exchange of opinions" with the United States on the reduction of attack and defence nuclear missile systems.

A Soviet Foreign Ministry statement said that the Soviet Union was ready to discuss the "mutual restriction and subsequent reduction of strategic means of delivery of nuclear weapons, including defensive system."

The Soviet Union, it said, believed it was possible, "though not an easy thing," to settle "concrete questions of curbing the arms race." At the same time, however, socialist countries "must see to the further strengthening of (their) security" because of the "aggressive policy of the NATO bloc."

On the Nuclear Non-Proliferation Treaty, it said without naming any country, "one cannot fail to see that there is a group of countries which under various pretexts are seeking to delay the entering into force of the Treaty. In particular, such attempts have been made at the session of the United Nations General Assembly."

It said that world tension could be eased if disarmament proposals set out by the Soviet Union in its memorandum to all other States last Autumn were carried out.

These proposals included:

(1) Prohibition of underground nuclear weapons tests with the use of national detection means for controlling the ban;

(2) Prohibition of flights by bombers with nuclear weapons beyond national frontiers and restriction of the zone of movement of missile-carrying submarines;

(3) Prohibition of chemical and bacteriological weapons;

(4) Removal of foreign bases;

(5) Establishment of nuclear zones in different regions of the world; and the use of the sea-bed and ocean-floor for peaceful purposes only.

(**Tass** and **The Hindu,** Madras)

[Prev. ref. 8019:AOA:G]

G. Mr. A. Harriman's "Notes" On Asian Economy: Recent developments in the Paris conversations between United States and North Viet-Namese representatives focussed attention on the prospects of ending the Viet-Nam war and turning to the rehabilitation and development of the war-torn area's economy.

Some detailed comment on economic progress in Asia was contained in the "notes" used during a recent session of the Paris talks by Mr. Averell Harriman, the chief US representative at the talks.

The pertinent parts of Mr. Harriman's statement are as follows:

"While this war is taking a destructive toll in Viet-Nam, other countries in Asia are making great progress on their own initiative and through co-operation with Asia and other countries, in expanding domestic production and foreign trade and in raising living standards.

"For example, in the last three years, from 1964 to 1967, such Asian countries as Malaysia, South Korea, Formosa, Thailand and Japan have increased their gross national product in real terms by more than 20 per cent. In fact, Taiwan's increase has been over 33 per cent. South Korea's foreign trade has almost trebled during the same period. Japan's miracle economic growth has increased its **per capita** annual income to more than $1,100, and Japan is now on the verge of becoming the third industrial nation in the world.

"There is no reason why North Viet-Nam could not participate in the economic and other benefits now being brought to the area by many co-operative efforts such as the Asian Development Bank, the Mekong Co-ordinating Committee and the United Nations Economic Commission for Asia and the Far East.

"Even brighter hopes for the future can be seen in activities and programmes not dependent on large-scale investment in long-term projects. Recent years have seen a remarkable rise in economic productivity and trade by the countries of East Asia.

"Side by side with this economic activity there has been a marked increase in intellectual movement across national borders within the region. Education Ministers have created a secretariat which is supervising the development of a variety of educational institutions in South-East Asia, from which all will benefit through sharing each other's experience and talents.

"Peace would mean much, not only to the people of both North and South Viet-Nam, but to the people of neighbouring nations as well. Cambodia, Laos and Thailand would benefit greatly from peace. With peace, North Viet-Nam could take part in co-operative efforts to develop a region which had enormous economic potential. The people of all the countries of the area would benefit immeasurably.

"Take for instance the co-operation in increasing food production, shown by the development of the miracle rice, IR-5, and IR-8. This rice was developed in the Philippines, as a result of international co-operation, and is now helping farmers in other Asian countries. It has made the Philippines self-sufficient in rice for the first time in 65 years. In South Viet-Nam about 40,000 hectares of miracle rice are being planted this year, 200,000 hectares are planned for next year. This and other high-yield grains can help meet the urgent need for food in Asia and other parts of the world."

(**Japan Business News,** Tokyo)

[Prev. ref. 7767:VND:B, 7913:THI:A & B, 8530:RVN:A]

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INDONESIA

A. President Suharto On Foreign Relations: In a statement before Parliament in the last week of January, President Suharto stressed that Indonesia would continue "a free and active foreign policy."

He said that this foreign policy was primarily aimed at the promotion of popular interests and the nation's economy.

He added that developments abroad and Indonesia's foreign relations greatly contributed to implementation of domestic programmes. Thought was now being given to stability in South-East Asia. Indonesia had been making all possible efforts to attain stability in South-East Asia, in conformity with her real capacities.

He noted with satisfaction that there was now a better understanding abroad about developments in Indonesia. She was maintaining economic and trade relations with nations willing to extend aid and establish co-operation without political commitments.

He said that the re-scheduling of payment of Indonesia's debts and new aid programmes were a major contribution. The Government was well aware that economic development was the full responsibility of the Indonesian people themselves. Foreign loans and co-operation should be regarded as an additional means to accelerate economic improvement. These achievements made it easier for Indonesia to co-operate with foreign nations in the economic sector. New foreign credits were obtained in 1968 and the understanding of foreign nations and international bodies as to Indonesia's current needs and difficulties at the Scheveningen meeting constituted positive results of Indonesia's foreign relations.

In 1968, he said, the Government permitted a number of foreign investors to operate in the sectors of industry, agriculture, mining, infrastructure, health, tourism and several others. Although not of a quick-yielding nature, the invested foreign capital would be of some benefit to the initial implementation of the Five-Year Development Programme.

He was of the view that the achievements in 1968 did not mean that all difficulties had been overcome. "There are still scores of obstacles ahead of us and there is still need for more improvements."

(Information Service Indonesia)

[Prev. ref. 8355:IND:A, 8387:IND:A]

B. Donations To Relief Funds In India And Philippines: The State Minister for People's Welfare Affairs, Dr. Idham Chalid recently extended on behalf of the Government aid for victims of flood disaster in India and of a cyclone in the Philippines.

The two contributions, each amounting to 1,500,000 rupiah, were received by the Philippines Ambassador, Mr. Modesto Farolan and the Indian **Charge d'Affaires,** Mr. S. K. Bhutani.

Dr. Chalid expressed the hope that the contributions would be useful in providing relief to the stricken people.

(Antara)

[Prev. ref. 8630:INI:R]

C. Joint Lumber Venture: Two Japanese companies—Oji Paper Co. and Mitsui Co.—have been given permission by the Foreign Investment Council for a joint venture in lumber with the Indonesian company, P. T. Alas, in North Sumatra.

The joint venture will be called Trionas Forestry Development and will have an authorized capital of $1,000,000.

Both the Japanese companies will have 42.5 per cent of the entire capital while Indonesia will have 15 per cent.

Of the authorized capital, $350,000 will be invested this year and the remainder during the next five years.

Trionas Forestry Development Co. aims at turning out 50,000 cubic metres of lumber in 1969 and 100,000 cubic metres in 1970, after which the company hopes to increase its production year by year.

(Antara)

[Prev. ref. 8402:IND:A]

IRAN

A. Shah Against Any Big-Power Move In Persian Gulf: In an interview with the American weekly, **US News And World Report** published on January 20, the Shah said that he did not want other Big Powers to move into the Persian Gulf when Britain completed its scheduled military withdrawal from the area.

Asked how big a role he felt the Russians would play in the Persian Gulf, he said: 'This question must be settled by the countries surrounding the Persian Gulf. We do not want to see Britain leaving and then come in by the back door, still pulling strings from London. But we don't want any Big Powers trying to replace Britain."

Asked if foreign oil companies would be allowed to continue operations in Iran, he said: "It depends on how they behave. If they agree to terms, they are secure until the present Agreement ends in 12 years' time, with the possibility of three more five-year periods after that. In order to keep the Agreement there must be goodwill on both sides."

Iran, he said, was discovering new oil fields every day and should have enough oil to last the next 50 years when consumption would be much less than it was now because of the development of nuclear and and other types of energy.

He predicted that Iran would have an annual **per capita** income of well over $1,500 in 20 years.

Asked if he believed the Soviet Union would one day supplant the United States as Iran's best friend among the Great Powers, he said Iran followed a policy of national independence and would do what was best for the country. "Continuing good relations with the United States would depend on the Americans", he said. "If USA was friendly to Iran, naturally Iran would be the same to the United States."

About arms purchases, he said: "Iran buys the arms which best suit its needs."

Asked if Iran had recently bought Soviet arms because it was thought they were better than the American, he said: "It was not a question of knowing whether arms were better or not. We buy from the British, the Germans, the Russians and the Americans."

Asked if he wanted increased American military aid, he said it was not really a question of aid. "We buy what we need. You extend the credits. There are certain things the United States cannot sell to some countries, such as **Phantom** jets, which are not sold with only profits in mind. Iran's recent purchase of **Phantoms** should be considered in this light."

He added that Iran was very proud of the termination of United States economic aid. "That meant that this aid was no longer needed by Iran. The country has passed the stage of those countries that still need such aid and has reached the take-off point."

He believed that Iran could become, in its region, what Japan had become in East Asia. "Iran is the country in this part of the world that could be a truly developed country."

Asked what was Iran's greatest problem, he replied: "If I say foreign interference, it is our own fault. If we had not let ourselves be dominated by them, they would not have done so. That does not absolve the foreigners of their interference, even if these are old ones.

"During the last six or seven years, since I undertook the White Revolution, we have put an end to foreign interference.

"Foreigners, when they begin to interfere in a country's affairs put forward creatures who work for them. The Communists try to create Communists and the non-Communists oppose them with men they direct. They talk continually of liberty and democracy.

"These people were fighting the Americans by spreading chaos and anarchy which are the worst enemies of democracy."

(Kayhan International, Tehran)

[Prev. ref. 8176:IRN:A, 8403:IRN:A, 8453:IRN:A]

B. Soviet Border Trade Office In Baku: Reporting an interview with the Deputy Director of the Soviet Union's Organization for Foreign Trade, Mr. Nikolai Masinko, **Radio Moscow** said on January 20 that the Organization had set up a branch in Baku to deal with border transactions between Iran and the adjacent Soviet Republics.

In Tehran, informed sources said the Baku office was established partly because of the expansion of frontier trade and partly in response to the recent visit to four neighbouring Soviet Republics by a team of businessmen led by Mr. Mohammad Khosrowshahi, President of the Tehran Chamber of Commerce.

During the visit, Iranian businessmen signed Protocols to Agreements with Georgia, Armenia, Turkistan and Soviet Azerbaijan according to which these Republics would import directly from Iran the goods they required.

Imports and exports will both be covered by the overall Iran-Soviet Trade Agreement and paid for through the clearing agreement which is attached to the Trade Agreement. However, by negotiating separate subsidiary agreements with the four Republics, the transportation of goods will be greatly facilitated and much red tape eliminated.

Iran exports consumer goods like shoes, socks, woollen wear and furnishing textiles. In return, the four Republics will sell to Iran a wide range of industrial goods such as power transformers and machinery.

(Kayhan International)

[Prev. ref. 8438:IRN:A, 8653:IRN:A]

ISRAEL

A. Budget For 1969-70: Presenting the Budget estimates for 1969-70 to the Knesset (Parliament) on January 6, the Finance Minister, Mr. Zeev Sharef, said that heavy burden of defence would continue for some time because peace was nowhere in sight.

He said that the Budget of I£ (Israeli Pound 7,850 million underscored the mounting pace of economic activity. Output rose by 14 per cent (industry by 28 per cent), and the number of employed persons increased by 65,000, or nine per cent. Prices and wages remained stable despite the devaluation in November, 1967, and this equilibrium was assisted by growth in savings—from 12 per cent of private disposable income in 1967 to 16 per cent last year. Higher productivity had bettered Israel's competitive position in export markets.

There was a price to be paid, however, he said, for this otherwise impressive display of economic growth. Imports shot up by the huge figure of $343 million to $1,735 million with exports rising by $186 million to $1,120 million, so that the foreign trade gap widened to $615 million. Most of this deficit was covered by capital imports of various kinds, but a paym gap was left of $100 million, wh meant a corresponding decline Israel's foreign currency reserves.

A second danger, that of infl tion, derived from the swoll means of payment owned by t public, which had expanded b I£350 million over and above sharp increase recorded in 19 Money was pumped into the econo my by the increase of bank cred to finance economic growth and by the Government's deficit-budgeting which was unavoidable.

All these considerations, b went on, had to be taken into ac count when preparing the Budget for 1969-70 which, like its two predecessors, must again be labelled a war-time Budget. Three-quarters of the tax revenue would go to defence, and in consequence half the total expenditure had to be financed from sources other than taxation. The true cost of defence was higher than what appeared in the figures. To take an example: reserve Army service cost the Treasury little, reservists' wages were defrayed by employers out of the Equalization Fund. But the removal of thousands of persons from their jobs each year cost the national economy a great deal.

The defence Budget for 1969-70 was I£2,500 million compared with I£2,200 million in the previous year.

Immigration would exceed 30,000 next year and might even approach 40,000. The new arrivals needed housing, which meant more workers in the construction branch who could otherwise be employed in industry and exports. It should be mentioned that I£50 million was allocated for settlement in East Jerusalem. Another heavy outlay was on debt redemption, which would mount to a peak of I£2,000 million a few years from now.

He said: "All this does not leave much money for other purposes, such as social advancement. Fortunately, we have reached a decent standard in fields such as health and education. We would like to go on progressing, particularly for the benefit of those with lower incomes, but such improvements have to be postponed.

"Economic growth requires a high rate of investment, which will total I£3,400 million in 1969. Of this, I£550 million goes to industry (including I£170 million, in the Budget and I£110 million from the Industrial Development Bank). Another I£160 million goes to mining enterprises.

Economic Report:

The highlights of the report on economy presented by him were:

(1) Output will rise by 11 to 12 per cent, compared with the 1968 average. The increase from January to December will be less, or 8 to 9 per cent.

(2) The number of gainfully occupied persons will increase by 57,000, or 6 per cent. This includes a reduction of 10,000 in the number of non-employed—down from 6 to 4.4 per cent of the civilian labour force.

(3) Output per worker will improve by 4 per cent. Prices will go up by 2 or 3 per cent, and so will the "wage creep," real wages thus remaining practically unchanged. Nevertheless, consumption per head will go up by 7 per cent, due partly to increased employment, partly to a confidence in the boom, which promotes spending, and partly to higher incomes from sources other than wages.

(4) Investment will rise by 20 per cent, from I£2,820 million to I£3,400 million—attracted by improved profits.

(5) Wage and price stability will keep Israel's exports competitive. They should increase by 13 per cent, from $1,120 million to $1,265 million.

(6) Higher output, bigger exports and heavy defence outlays will push up the import bill by 13 per cent, from $1,735 million to $1,960 million. Imports will increase by $80 million more than exports, widening the foreign trade gap from $615 million to $695 million.

(7) There will be a trade surplus with the administered areas. If this is seen as export, Israel's predicted trade surplus is less, rising from $600 million this year to $670 million.

(8) Diamond exports will grow by only 5 per cent, while other industrial sales abroad will forge ahead at the rate of 17 per cent. Agricultural sales will rise by the same as the overall average, or 13 per cent.

(9) Biggest import item is "Government — Non-Stated," which includes defence imports, and is up from $300 million to $365 million. Raw material imports will increase by $60 million and investment goods by $45 million, including $20 million on ships and aircraft.

(10) Net capital imports will be $630 million. This includes increased foreign investment, due to total $60 million. As the trade deficit is predicted at $695 million, the State's foreign currency reserves will fall by $65 million.

(11) The population of Israel will grow by 74,000, from an average of 2,806,000 during 1966-68 to an average in the present year of 2,880,000.

(The Jerusalem Post)

[Prev. ref. 8276:ISR:B]

B. **Labour Party-Mapam Alliance:** The largest political bloc in the country's history came into being on January 19 with the alliance of the Labour Party and Mapam which would together have 62 members in the Knesset. Fifty-four of them belong to the Labour Party and eight to Mapam.

According to Mrs. Golda Meir, former Foreign Minister and one of the leaders of the alliance, the formation of the new bloc would mean that the religious parties would lose their position of holding the balance in Israeli politics.

The Secretary-General of Mapam, Mr. Y. Yaari, said that the religious parties would not now receive the same attention as before. But Mapam would not raise the question of separating State and religion, because they could not afford a struggle on the subject at present.

(The Jerusalem Post)

[Prev. ref. 8276:ISR:C, 8277:ISR:G]

JAPAN

A. **Mr. E. Sato On Domestic And Foreign Policies:** Addressing the Diet on January 27, the Prime Minister, Mr. Eisaku Sato, re-iterated his Government's policies on domestic and foreign issues.

He said he would like to visit USA later this year to reach agreement with President R. Nixon on the date of reversion of Okinawa to Japan.

About Okinawa, he stressed that he aimed at setting the reversion date "in a context of mutual understanding, friendship and co-operation between the Governments and peoples" of the two countries.

He did not disclose any formula, the most delicate point in the whole reversion question, but made this clear: "I wish to seek a type of solution that will win the understanding of the people, taking cognizance, first and foremost, of the important role which the United States bases in Okinawa are playing in ensuring not only the security of our country but also the security of the Far East..."

He indicated a somewhat flexible attitude on Japan's relations with China and said: "We would welcome any development in which China would be widely received as a member of the international community."

To cope wisely with radical social changes in Japan such as various urban issues, outflow of farming populace and university problems, he said, the Japanese should work to ensure that material prosperity could be linked effectively with spiritual richness.

Discussing major domestic issues, he made an issue of campus disorders in the University of Tokyo and criticized University administrators and violent students for failing to work hard enough to restore order.

He expressed his determination to set about reforming the university system of the nation immediately. He also said he was determined to solve various problems involving US military bases in Japan on the basis of the policy of firmly maintaining the mutual security set-up between Japan and USA; patiently negotiate for the return of the former Japanese territory now under Russian rule in the northern Pacific; co-operate as much as possible for rehabilitation and development of South-East Asia as well as the attainment of peace in Viet-Nam; keep various channels open for contact with China in the expectation of a change on the part of that country and in view of the future situation in Asia while maintaining and promoting friendly relations with neighbouring nations such as the Republic of Korea and the Republic of China; exercise caution in operating the monetary and fiscal policies with the aim of maintaining the current good economic condition over a long period of years; promote a well-balanced comprehensive agricultural policy in line with the supply-demand of food and see to it that the trends of public utility charges would not badly affect commodity prices.

(The Japan Times, Tokyo)

[Prev. ref. 8262:JAP:A]

B. **Economy In 1968:** According to official figures released recently, automobiles, iron and steel, machine tools and cement recorded an all-time production high during 1968.

In foreign trade, Japan boosted both exports and imports to the highest annual level of some $13,000 million each, placing the nation as the world's No. 4 exporter after the

United States, West Germany and Britain.

Gold and foreign exchange reserves climbed as much as $886 million to reach a record $2,891 million at the end of December, 1968.

In production automobiles topped the 4,000,000 unit level for the first time, ranging Japan second as automaker after USA. The 1968 output was 4,089,500 units or 30 per cent more than in the previous year. Of the figure, passenger cars accounted for 2,058,400 and trucks 1,992,700. Auto exports also jumped by 67 per cent over 1967 to an all-time high of 605,000 units, including 401,600 passenger cars and 198,400 trucks. Their value (including parts) came to a total of $1,078 million, topping the $1,000 million mark. Toyota Motor Co., out-running the Mitsubishi Heavy Industries, emerged as Japan's No. 1 exporter with its 1968 marketing, reaching about $368 million.

Crude steel output rose by 7.6 per cent to 66,890,100 tons, again an all-time record and the third highest after the United States and the Soviet Union. Japan's output accounted for 12.7 per cent of the world's total.

Production of machine tools in the first ten months of 1968 exceeded that for entire 1967, an all-time annual high. The January-October, 1968 production was put at nearly $400 million, or 41.7 per cent more than the like period of 1967.

Production of cement rose by 12 per cent to a record 47,160,000 tons.

Japan's exports on customs clearance basis soared by 24.4 per cent last year to a record high of $12-979,203,000. This pushed Japan ahead of France and Italy to the fourth place in the world, next to the United States, West Germany and Britain.

Sharp rises in exports were scored by automobiles, iron and steel products, home electric appliances, plastic products and others.

Imports on the same basis also touched a new peak of $12,989,085,-000—up by 11.4 per cent over 1967. They brought an excess of imports over exports of $9,882,999—a big improvement from the previous year's sizable deficit of more than $1,200 million.

In foreign trade, incomes from exports amounted to a record $12,750 million, and payments for imports also an all-time high of $10,-220 million.

(The Japan Times, Tokyo)

[Prev. ref. 8165:JAP:B; 8261:JAP; 8362:JAP:A]

C. **Komeito Party For Recognition Of China:** In a policy statement in the third week of January, the Komeito Party called for a "summit" conference of Japan and China and normalization of relations between the two countries.

It said that Japan should not take a hostile attitude towards Peking but act as a "bridge" between China and the United States.

To achieve the goal, Japan should recognize China, should not interfere with the so-called Taiwan problem as it was an internal affair of China, and should step up efforts to have China join United Nations. It also urged the expansion of trade and cultural interchanges between the two countries under Government-to-Government agreements.

The party called for the conclusion of a basic Treaty between the two countries first and others on commerce and navigation and fisheries later.

The basic Treaty, it said, should consist of three parts—political relations, economic relations and provision regarding claims and property. The first part should include the establishment of peaceful and friendly relations at the time of effectuation of the basic Treaty following Japan's recognition of the Chinese People's Republic. Both Japan and China then should observe Article 2 of the UN Charter stipulating solution of international disputes by peaceful means and mutual non-interference in internal affairs.

Japan, it said, should also make an effort to have China join United Nations and confirm that this country had abandoned any rights and claims on Taiwan and the Pescadores, or had no objection to the reversion of these islands to China.

(The Japan Times, Tokyo)

[Prev. ref. 8327:JAP:I]

D. **Rioting By Students In Tokyo University:** Radical students entrenched themselves in Tokyo University's Yasuda auditorium on January 19 and withstood a 10-hour siege by the riot police who seized control of 16 other buildings held by the students on the University's Hongo campus.

The students hurled blazing Molotov cocktails, acid bottles and huge chunks of concrete slabs and rocks at the policemen from the roof of the auditorium.

Police used helicopters to drop tear-gas shells and tear-gas solution and fired tear-gas grenades from the ground. Pressurized water was also used to break the resistance of the students. During the day-long battle the police arrested 256 radical students.

The Government and the Liberal Democratic Party on January 2 decided to cancel the University of Tokyo's entrance examinations for this Spring.

The Japan Socialist Party and the Japan Communist Party criticized the entry of the police into the University campus while the moderate Democratic Socialist Party and Komeito Party believed that the action was "inevitable."

Chinese Comment:

The **New China News Agency** said on January 21 that progressive students of Tokyo University had greatly heightened the militancy of Japanese revolutionaries by their tit-for-tat struggle against the police.

In a report on the clashes at Tokyo University, it said that the police, "acting on orders from the Japanese Government, tried ruthlessly to suppress the students. But the latter, infuriated by the barbarity of the police action, hit back vigorously."

(The Japan Times, Tokyo)

[Prev. ref. 8804:GAP:J]

E. **National Budget Estimates:** The Finance Ministry decided in the last week of December, 1968 on its draft of the fiscal 1969 National Budget. The financial year starts every April.

It set the total expenditure on general account at 6,739,100 million yen ($18,721 million) or 15.8 per cent over the figure for the previous year.

A separate Budget for loans and investments amounted to 2,990,100 million yen.

The Ministry's tax reform system featured income-tax cuts totalling 150,300 million yen and resident tax reductions totalling 77,400 million yen up to December.

As a result, the minimum taxable income would be increased by about 100,000 yen to 935,000 yen a year for a family of five, including three children.

The increase in general account expenditures envisioned in the Finance Ministry's draft exceeded the 14.4 per cent nominal rate of growth foreseen by the Government for the economy in fiscal 1969. This contradicted the Finance Ministry's contention that the fiscal 1969 Budget would be "restraining" in its effect on the economy.

The scale of the fiscal loan and investment programme was considerably limited for fiscal 1969 because of a recent slow-down in the increase in postal saving deposits, the principal source of low-cost fiscal funds.

Allowing for additions expected as the result of the negotiations between the Ministry and other departments, the loan and investment programme was expected not to exceed 3,060,000 million yen to the 3,070,000 million yen level.

The following were the highlights of the Finance Ministry's proposals:

(1) Passenger fares of the National Railways will be raised by 15 per cent, as applied for by JNR. No increases are proposed for telephone and telegram rates.

(2) The annual pay raise for Government workers will be enforced from July in fiscal 1969. Necessary funds for five per cent wage increase are included in scheduled expenses on personnel.

(3) Both the consumer and producer price of rice will be maintained intact at the present level. Part of the nation's rice supply will be made available for free distribution outside the food control system.

(4) The Defence Agency's request for an increase of 6,000 men for the Ground Self-Defence Force, though not met in the initial draft, will be considered favourably in subsequent negotiations between the Agency and the Finance Ministry.

(5) The Finance Ministry will drop its proposal for a reduction in the rate of tax transfer to local governments, in return for loans amounting to 69,000 million yen by local government to the national treasury.

Defence Allocation:

Of the total Budget of $18,721 million, defence appropriations claim $1344 million or 7.1 per cent of the National Budget. Compared to the relative defence expenditures of other big countries, this is not a big amount, but note must be taken of the fact that this figure represents an increase of 14.6 per cent as compared with the current fiscal year's defence budget, which totalled $1,172.4 million. This is the biggest increase rate since 1963.

The emphasis on improving the defences may be regarded as reflecting a basic thinking within the Government and the ruling party on the need for greater autonomy in matters and lesser dependence on the United States within a broader fram-work of mutual security set-up between the two countries. There is also a growing body of opinion within the Government that such an autonomy is a pre-condition for Japan's efforts to build up its position of leadership in Asia.

The highlights of the defence related Budget provision are:

(1) Increase of ground self-defence forces by 6,000 men and naval vessels by 17 units, including one submarine and eight more ships of 2,000-ton class, mostly patrol boats and money is also prvided for the acquisition, through purchase and domestic production, in the first instance of 34 Phantom F4E jet fighters which Japan has just chosen to be the mainstay of its future air defence.

(2) The riot police is to be increased by 2,500 men, provision having been made in anticipation of widespread disturbances at home in 1970 when the Leftist forces are planning to mount a massive campaign against the renewal of the Security Treaty with USA which expires that year, also provision to increase the number of public prosecutors has been made keeping in mind the prospect of increase in such disturbances.

(3) Provision for increases in operating funds of Export-Import Bank and Overseas Economic Cooperation Fund—two agencies through which Japanese aid funds to developing countries are chiefly channelled—has been made in the national Budget.

The increases in the funds of the two agencies over the previous year are 11.6 per cent and 29.5 per cent respectively.

(4) Substantial increase in developmental credits to Indonesia is anticipated during the coming year as Japan is expected to foot about one-third of that country's $500 million new Five-Year Development Plan. No increases, however, are expected to other countries like India and Pakistan which, in the past, have been the chief beneficiaries.

(**The Japan Times,** Tokyo and
The Hindu, Madras)

[Prev. ref. 8252:JAP:A]

F. Attempts To Attack Emperor: Two incidents marred the occasion when Emperor Hirohito and Empress Nagako and other members of the imperial family were exchanging New Year greetings with the public from the balcony of the Imperial Palace in Tokyo on January 2.

In the first incident, the police arrested a 48-year-old worker, Kenzo Okuzaki, immediately after he shot a small iron marble with a sling-shot in the direction of the Emperor. The sling-shot crashed into a palace window, going wide of the mark and without hurting any one.

The arrested man was among the 20,000 well-wishers who had packed the palace square when the imperial family resumed after a lapse of six years its post-War practice of personal exchange of greetings between the Mikado and his people.

The ceremony, however, went on as scheduled.

Two hours later, when the Emperor and his family returned to the balcony—they were to make eight appearances until 3-30 in the afternoon—another man burnt a smoke candle that released a pall of smoke in the Palace square.

(**The Japan Times,** Tokyo and
The New York Times)

JORDAN

A. Underground Water Project: The search for underground water by experts working on a UNDP-assisted survey project, it is learnt, has resulted in promising finds of water for agricultural, industrial and drinking purposes.

Since the project began, some 76 wells have been drilled and a further six are expected to produce water shortly.

The project, entitled "Investigation of the Sandstone Aquifers of East Jordan," is designed to determine the areas where underground water resources can be economically exploited, and to draw up exploitation programmes.

Substantial sandstone aquifers, some 1,000 yards deep, have been identified in the Wadi Utum Basin in the southern desert and are thought to contain enough water to meet irrigation and settlement requirements.

Further water deposits have been found in the Baqa Valley Catchment and the Hasa-Jafr Groundwater Basin.

The project covering about 60,000 square kilometres of east Jordan has aroused the interest of several bilateral aid organizations and prompted survey operations to locate soils suitable for irrigation with the newly found water.

The project is being financed by the Government of Jordan ($1,215,000 and UNDP $1,181,900). The executing agency is the **Food and Agriculture Organization (FAO.)**

More than 80 per cent of Jordanian territory suffers from a chronic water shortage, and the provision of additional water is vital to both agriculture and industry.

(UN Newsletter)

[Prev. ref. 7601:JOR:E]

KOREA (South)

A. **Proposal For Pacific Asian Treaty Organization (PATO):** Reports quoting Government sources in Seoul said on January 13 that South Korea was preparing for an Asian version of the NATO, called the Pacific Asian Treaty Organization (PATO).

One proposal is that PATO forces should be used in South Viet-Nam after the withdrawal of US forces.

PATO, it is suggested, would consist of US naval and air forces, and army units to be financed mainly by USA and Japan. The latter units would be supplied by member-nations of the Asian and Pacific Council (ASPAC), started by South Korea two years ago. ASPAC was created simply for consultation between non-communist allies in the Far East, including Australia, New Zealand and Japan, but not USA.

Japanese officials, however, discount the reported Korean plans for PATO. The South Korean Government has not come out openly in favour of such a plan. Further, as Japan has repeatedly said, she would not be interested in developing ASPAC into a military organization.

(The Times, London)

LAOS

A. **Pathet Lao View Of Civil War:** According to Soth Phetrasi, representative of the Lao Patriotic Front, the political wing of the Pathet Lao, in Vientiane, the Pathet Lao controlled three-fifths of the country and half the population.

[The Government claims that one-third of the territory is under Pathet Lao control, one-third under Government authority and one-third is contested. Three-quarters of the population is claimed to be under Government control.]

Soth Phetrasi is all that physically remains in Vientiane of the Coalition Government so laboriously approved at the Geneva Conference in 1961 and 1962 though, of course, the Government of Prince Souvanna Phouma still keeps the chairs vacant at Cabinet meetings of the Pathet Lao Ministers who walked out.

Soth Phetrasi's position can have few precedents. He has an office and 120 well-armed Pathet Lao troops in several villas. He has wide contacts in the diplomatic corps, in the Government, and among his friends and relations—all this in the "enemy" capital of a Government he readily describes as traitor, and which his movement is fighting, and recently pledged to overthrow.

But he also remains, when needed, an important contact point between the two sides and emphasizes that the sincerity of his movement is proved by its readiness to deal even with "traitors" so long as they "stop being in tow with the Americans", "return to reason", and "abandon some of their riches".

But naturally, in discussing the war in Laos in a recent interview he was fervent and indignant, and went to great lengths to insist that his movement's cause was one of simple patriotism, seeking genuine independence to install democracy at home, and to maintain neutrality towards those outside. His views on the fighting were diametrically opposed to everything asserted by the Prime Minister, Prince Souvanna Phouma.

To restore conditions for a settlement, Soth Phetrasi declared, the Americans must end their "interference in Laos affairs, end their aggression against the Laotian people, and immediately cease their day and night bombing of liberated zones of Laos".

He denounced as a "pretext to conceal their aggression" American "reconnaissance flights" at the request of Prince Souvanna Phouma, and claimed that American aircraft were bombing "liberated zones" at the rate of 200 sorties a day, this rate being "three to four times what it was before the partial and total bombing halts over North Viet-Nam."

He also claimed that "Lao Peoples' Liberation Army Forces" had shot down "more than 900 American aircraft of all types, except the B-52, since bombing started in 1964".

He denounced vehemently the "special war" which he claimed was being waged in northern Laos by the Americans in the form of the Central Intelligence Agency encadrement of hill tribe armies.

He did not think any American units were in Laos, but there were "hundreds of American and Thai advisers and experts" directing this operation, which he alleged was directly commanded from Thailand.

(The Times, London)

[Prev. ref. 4094:LAO:A, 4688:LAO:A, 8638:LAO:B]

MALAYSIA

A. **Defence Plea To Britain:** Closing the defence debate in Parliament in Kuala Lumpur on January 24, the Deputy Prime Minister, Tun Abdul Razak, called on Britain to give his country more time to train her own men and acquire equipment so that she could defend herself after the British military withdrawal from east of Suez by 1971.

However, he said, Malaysia was not angry with Britain. He called for more self-reliance and limited aid from friends.

He said: "The British Government has decided on a target date and we have to accept it. What we are asking the British is to give us more time to train our own men and acquire equipment."

He assured that Malaysia would shop for the cheapest and best equipment, and not just accept second-hand goods from Britain.

During the debate, several members bitterly assailed British policy.

The Finance Minister, Tan Siew Sin, indicated that Malaysia's proposed purchase of **Mirage** jet fighters from France would depend on terms. "If the terms are not agreeable we may have to buy elsewhere."

[A French mission is due in Kuala Lumpur to negotiate the sale of 16 **Mirages,** an offer for $60 million Malaysian (about £8 million) and to discuss the possible sale of radar and anti-aircraft guns. A representative of Canada was also expected to try to sell Malaysia its CF-5 version of the American Freedom fighter.]

Tun Razak told Parliament that though the Govennment was negotiating to buy jets from France, any other country was free to make an offer.

The Prime Minister, Tengku Abdul Rehman, who was on a visit to London for the Commonwealth Premiers' Conference, said on January 27 that Malaysia would agree to buy fighter aircraft from Britain rather than France if Britain herself provided air support in the interim period.

His Government, he said, was more interested in the Hawker Siddeley **Harrier** than in the French Mirage, but delivery of the **Harrier** could not be assured before 1971. He would be prepared to wait if the Royal Air Force were to keep, say, two squadrons in Labuan for the time being.

[Labuan, a small island off the coast of Sabah, formerly North Borneo, was originally ceded to Britain by the Sultan of Brunei in 1046. After Malaysia became independent it was extensively used by the RAF as a base during the three-year confrontation with Indonesia, but since 1966 it has been gradually run down].

Asked if he had considered inviting any other countries to station aircraft on Labuan, he replied that the Americans were certainly not interested. He had approached Australia and New Zealand and there were to be further talks in Canberra in May, 1969, but he gave the impression that any request to these countries would be referred to Britain.

"We do not want a large force", he said, "but at the moment we have no planes at all, you see. In the meantime, these Philippine planes have been flying over, buzzing our ships and doing all sorts of stunts, and we have nothing to drive them away."

He firmly rejected the idea that the US Government was threatening to withdraw aid if Malaysia bought fighters. "We are not receiving aid from America," he observed. "To be quite honest, I wish we were, but we are one of the countries excluded."

(The Malayan Times, Kuala Lumpur and **The Times,** London)

[Prev. ref. 8449:MAL:A]

B. **Foreign Investment:** According to the Minister of Commerce and Industry, Dr. Lim Swee Aun, 14 countries had invested in manufacturing in Malaysia and the industry had grown at a steady rate of 14.5 per cent per annum.

Dr. Lim made this statement at the opening of a jute mill recently in Butterworth in Penang.

He said: "We cannot force foreigners to invest in Malaysia. We can only induce them by offering incentives. We have to compete with all the countries in the world, developed and developing, to attract investment capital. Investment capital is limited. It is mobile and will move to areas which offer the best security, the best returns and where it is genuinely welcome."

Since Independence, he added, the Government had invested in the infra-structure for industrial development and created a favourable climate for investment. Ports had been enlarged, roads and communications improved and supplies of water and power kept ahead of demand.

Referring to industrialization in Penang, he said there would be greater growth in the State in the New Year. It would not be long when the east-west road would become an urgent necessity and "Penang will then really become the industrial centre in the north."

Bagan Dalam, he disclosed, had been earmarked for a Malaysian-German ship-building yard.

Malayawata Steel had completed its plan for expansion to double its production and manufacture new types of industrial products.

A large textile factory, in a joint venture with India and the World Bank, would be built in Mak Mandin.

(The Malaysian High Commission, New Delhi)

[Prev. ref. 8309:MAL:C, 8391:MAL:B]

PAKISTAN

A. **Aid From China:** The Deputy Chairman of the Planning Commission, Mr. M. M. Ahmed, told newsmen in Lahore on January 21 that by the end of the current Third Five-Year Plan period, the Socialist countries would have contributed 32 per cent of the total foreign aid received by Pakistan and barring China, all countries had fixed 10 to 12 years for repayment of the credits. China had fixed the payment period at 20 years, with a grace period of 10 years.

He said that Pakistan was trying to persuade the aid-giving countries to agree to soft-term loans.

China had given loans totalling $142 million to Pakistan.

The first loan of $60 million was given late in 1965. This was followed by another credit of $40 million in 1967. A new loan of $42 million was announced by the Chinese Minister for Foreign Trade, Mr. Lin Hai-yun, who flew to Islamabad in the last week of December, 1968 to sign the Loan Agreement. The new credit would be utilized for development projects to be built with Chinese technical assistance. A team of Chinese experts recently conducted a three-month-long survey of development projects in East and West Pakistan and selected those which were to be built with Chinese help.

All the Chinese loans to Pakistan were interest-free, repayable over 20 years. They could be repaid in exports. The new Chinese loan was welcomed by Pakistani officials because project aid, which until three years ago came largely from the United States, had lately fallen short of Pakistani expectations. Some prestigious projects, languishing owing to the short-fall in project aid, would benefit from the new Chinese credit.

The Chinese were financing the construction of a $36 million heavy machinery complex at Taxila near Islamabad. They were also helping to set up an ordnance factory in East Pakistan which was expected to be in operation in April, 1969.

China had also promised help for Pakistan's Fourth Five-Year Plan (1970-75), now being drawn up. Mr. M. M. Ahmed had secured an assurance of continued Chinese aid to Pakistan during his Peking visit late in December, 1967.

The Pakistan Government was considering a Chinese offer to cooperate in drawing up a flood control plan for East Pakistan. Teams of Pakistani experts would visit China shortly to study Chinese techniques of flood control and the Chinese experience in tackling the problems of water-logging and salinity. They would suggest what methods could be adapted in Pakistan for dealing with these problems.

Trade Figures:

According to Pakistan's Commerce Minister, Nawabzada Abdul Gafoor Khan, Sino-Pakistani trade had expanded by nearly 1,000 per cent in the past five years. In fiscal 1967, its volume was more than $78 million. Pakistan always enjoyed a favourable balance of trade with China.

Pakistani exports to China consist mostly of raw cotton and jute, cotton yarn and jute manufactures, and a few other semi-finished products. Chinese exports to Pakistan comprise cement, coal, tools, workshop equipment, dyes and chemicals, pig-iron, paper and pharmaceuticals. Proposals for expanding Sino-Pakistani trade were under active consideration in Peking and Islamabad.

Recently, Pakistani and Chinese officials arranged to revive border trade between the Gilgit Agency of West Pakistan and neighbouring Sinkiang in China. From June, 1969, trade on this overland route would be carried by caravans of pack animals. The quantity of trade would be small because of transportation difficulties. But, the revival of trade on the eastern half of the ancient silk road would be a significant development in Sino-Pakistan relations.

(The Pakistan Times, Lahore and **The Times of India,** New Delhi)

[Prev. ref. 8485:PAK:C, 8641:PAK:D]

B. **IFC Investment:** The International Finance Corporation (IFC), an affiliate of the World Bank which invests in private industry in developing member-countries, has announced that it is *investing for the first time in East Pakistan's industrial expansion.*

The project involves modernization and expansion of the Karnafuli Paper Mills, located near Chittagong, at a cost of $17 million.

The Karnafuli expansion will increase the country's paper-making capacity by 17,000 tons a year, bringing the total paper-making capability financed by IFC in Pakistan to 72,000 tons annually, and will also boost the plant's capacity by half. It will have the secondary economic development benefit of helping to develop East Pakistan's forest reserves. The additional paper prolution could save Pakistan foreign exchange up to $2,000,000 a year.

IFC is making a basic commitment of $5.6 million to the Karnafuli expansion in addition to a contingent commitment. The investment drew support from seven international investment institutions in North America, West Asia and Europe, which purchased half of the basic IFC commitment.

Karnafuli is IFC's ninth investment in Pakistan, over a range of industries including (besides paper) cement, cotton textiles, steel products, fertilizer, jute products manufacturing, and development banking.

(IFC Press Release)

[Prev. ref. 8666:AOA:C]

C. **First RCD Industrial Project:** The Secretary-General of the Regional Co-operation for Development (RCD), Mr. Messarat Kossein Zubeiri, said in Tehran on January 7 that the first industrial project sponsored by RCD would be completed in a few weeks.

The project, launched at a cost of £5.5 million, was designed to produce paper for bank-notes.

Two other industrial projects related to RCD would go onstream some time this year. These were a ball-bearing manufacturing plant in Pakistan and a carbon black producing plant in Turkey.

"All three plants will be able to meet the requirements of the entire region," he said. "They can operate at an optimum level only because of the vast RCD market."

He said that the leading policy-makers in the three countries (Iran, Pakistan and Turkey) had agreed in principle to focus their attention on regional planning for industry rather than national planning. "The regional (RCD) market can support large industries and enable the enterprises to go for investments in viable industries. The most logical way for any of the three member-States to enjoy economies of scale is to go for regional industries."

Co-operation among the RCD members in industrial projects could not, however, he said, be restricted to joint-purpose industrial enterprises. Each one of the RCD member-States specialized in a certain field. Iran, for instance, was a major oil Power not only as a producer but also as a nation commanding expertise in all sectors of the oil industry. "That is why we are looking forward to the Izmir (Turkey) Refinery's inauguration when it goes on stream late this year. The Iranian crude oil will be supplied to keep this Refinery running."

(Kayhan International, Tehran)

[Prev. ref. 8233:PAK:F]

D. **IDA Assistance For Power Project:** The International Development Association (IDA) and the United Nations Development Programme (UNDP) have in a joint operation agreed to provide Pakistan with $3,900,000 to assist in financing the employment of general consultants for the East Pakistan Water and Power Development Authority (EPWAPDA).

[The Authority was established in 1958 to execute the co-ordinated development and utilization of the water and power resources of the Province. The consultants selected are a consortium of three firms headed by Acres International of Canada. East Pakistan (55,000 square miles) is largely composed of the deltaic area of two of the world's largest rivers—the Ganges and the Brahmaputra. The development of its vast water resources presents problems among the most difficult and complex of their kind ever known. The World Bank Group has for many years been concerned with this problem, particularly in relation to increasing agricultural production. With a population of 65,000,000, East Pakistan is one of the most densely populated regions in the world. Although its soils are fertile, agricultural yields are low and food production has not kept pace with population growth.]

Since 1962, IDA has sent $11.5 million for three agricultural projects involving flood control and irrigation. In 1965, at the request of the Government, the Bank reviewed a master plan for water and power development and, subsequently, reached agreement with the Government of East Pakistan on a modified strategy for the execution of a programme of agricultural and water resources development. In 1967, a special group was established in the Bank to assist East Pakistan in carrying out this programme. The consultants now being retained will maintain close liaison with the Bank's East Pakistan Group.

(World Bank Press Release)

[Prev. ref. 8454:PAK:P]

THAILAND

A. **Insurgents Step Up Activity:** Reports from Bangkok in recent weeks refer to increased activity by communist insurgents in the northern, north-eastern, south-eastern and south-western areas and across the Malaysia-Thai border.

The northern area is between Nan in Thailand where a road ends with an airport and Muong Han on the Laos side. Nan and Muong Han are connected by trails. The people in the area are nomadic hill tribes who follow a traditional, shifting agricultural policy of "slash and burn." They travel freely across the borders, as they do not recognize them as such. Government authority is not much felt in this area as the few who are there collect taxes and do little administration. Trouble began in this area a year ago in clashes between the hill tribes and villagers. When the army was sent, it lost the first round. Observers believe the troops were no good to fight a guerrilla war and the command was so round-about, that if air support was needed it had to be cleared in Bangkok. The helicopters were tied down in transporting officers.

Recently, Meo hill tribesmen began trench fighting. The air force is now more active, but the jets are not effective in the hills. There are also reports that communists are instigating the setting up of a "Meo Kingdom." The Government, on the other hand, feels that the hill tribes are not interested in communism, but only do not want to be interfered with by officials and troops whom they consider as foreigners. While putting in more troops, the Government is concentrating also in resettlement schemes, helping rural areas and developing the friendship of the people. The King recently visited the area.

In the north-east plains, on the other hand, the Government is successful against the insurgents concentrated around Udorn, bordering Laos. A major incident was the blowing up of an aircraft in July, 1968 and the killing of four security guards at the US airbase. This was said to be a trigger-happy, local affair to keep up morale. Military observers think it was also amateurish.

Border Incidents:

Incidents have been reported from the south-east along the Cambodian border, but they are minor. In the central plains not much of activity is reported, though the Thai Communist Party (TCP) is building up cells. In Bangkok, the TCP is underground, but is said to be not powerful or active. Its estimated membership is about 3,000. The total insurgent strength is set at 20,000, including sympathizers.

In the south-west, around the end of the Burmese border, there are also a few communist pockets, said to be isolated and not active.

Along the Malaysia-Thai border there have been many incidents. The insurgents are of the Malayan Communist Party operating now against the Malaysian Government. They slip back into Thailand to recoup. The task of fighting the communists along the border is being done mostly and effectively by the Malaysian Government. More co-operation from Thailand could be expected in future.

As to outside support, the Thai Deputy Defence Minister, Air Marshal Dawee, said recently that China had established a base in Kumming to support and direct insurgency in Malaysia, Thailand and Laos.

According to Thai authorities, the involvement of North-Viet-Nam in Thai communist activities is evident in captured documents. In July the authorities captured in north Thailand along the Lao border, a North Viet-Namese official, who was helping hill tribes in guerrilla warfare and propaganda.

The Thai Minister for Interior, Gen. Praphas Charusathien, said on August 1, 1968 that most of the cadres and infiltrators were being trained at the "School of Anti-Americanism" in North Viet-Nam at Hao Binh, which is on the main road between Hanoi and Sam Neua, the Pathet Lao stronghold in Laos.

Radio Peking has been giving support and a lot of time for reports of the Thai Communist Party, the Thai Independence Movement and the Thailand Patriotic Front, formed in November, 1964 and January, 1965. It broadcast in full on January 12 this year the Thai Communist Party's appeal to the Thai people to join forces with it to drive out US troops and overthrow the Government.

Recently, the rebels also began terrorizing people by ambushing buses on highways and threatening plantations and demanding protection money. These are said to be aimed at controlling people who are not influenced by propaganda.

In the operations against the communists in the past three years, Government troops have killed about 450 and captured 3,400.

(**The Hindu**, Madras)

[Prev. ref. 8130:THI:A]

B. **ECAFE Concern At Fall In Earnings From Commodities:** The ECAFE Committee on Trade met in Bangkok from January 6 to 15 during which it expressed concern at the continued fall in export earnings from major primary commodities of the region such as tea, tin, rubber, palm oil and hard fibres.

It noted that the earnings had decreased from the peak figure of $3,000 million in 1964 to $2,400 million in 1967 because of price declines and fluctuations of demand in the world.

As imports had continued to increase more rapidly than exports, the region as a whole, including developed and developing countries, suffered in 1967 an unprecedented trade deficit of $4,800 million, equivalent to more than 40 per cent of the region's total exports in 1967 against 26.5 per cent in 1965.

The Committee noted improvement in prices of some primary commodities such as rice and copra during the first half of 1968.

According to preliminary data, the value of regional exports rose by ten per cent over the corresponding period in 1967. Exports of developed countries of the region increased by 11 per cent while exports of developing countries expanded by seven per cent.

(**UN Newsletter**)

[Prev. ref. 8466:AOA:A]

TURKEY

A. **Efforts To Increase Foreign Exchange Resources:** The State Planning Adviser, Mr. Turgut Ozal, said in Ankara in the first week of January that the Government would now concentrate on projects with a high foreign exchange earning potential.

In 1969, he said, the State Planning Organization would strengthen such fields as the food processing industry, animal stock breeding, fresh fruits and vegetable production, metallurgy, mines and tourism. These were the fields promising to expand Turkey's foreign exchange earnings.

The Government was hoping to expand its foreign exchange receipts from exports during 1969 to $575 million. If this target was achieved, the country's total foreign exchange earnings would then amount to $700 million. This included non-commercial and invisible foreign currency receipts such as the remittances from Turkish workers in Germany and other countries in Western Europe.

At the same time, the authorities were banking on a forestry project for wood industries, paper and pulp, which might eventually bring in $300 million annually in foreign exchange. But this project would need assistance from abroad for its development.

Turkey's balance of payments has steadily improved during the past few years. Total foreign exchange earnings from exports amounted to $490 million plus $115 million from workers' remittances in 1966. In 1967 export earnings amounted to $522 million, but workers' remittances fell to $93 million.

For 1968, exports earnings were estimated to amount to $530 million, while the workers abroad were expected to have transferred home some $110 million.

Turkey is in a favourable position to serve as West Europe's supplier of fresh fruits and vegetables, specially when she attains closer ties with the Common Market, of which she is now an associate-member.

Tourism is also fast developing into a profitable foreign exchange source.

(**Kayhan International,** Tehran)

[Prev. ref. 8586:TUR:A]

B. **Japanese Assistance For Bosphorus Project:** The Foreign Minister, Mr. Ihsan Sabri Caglayangil, on a visit to Tokyo, on January 15 called on the Japanese Prime Minister, Mr. Eisaku Sato, who told him that his country would co-operate in the Bosphorus bridge project.

Japanese officials quoted Mr. Caglayangil as telling Mr. Sato that Japan was willing to co-operate in the proposed construction of the bridge "if conditions were satisfactory".

The bridge, which Turkey plans to build at an estimated cost of $35,000,000, would become an international span linking Europe with Asia.

(**The Hindu,** Madras and **The Japan Times,** Tokyo)

VIET-NAM (RVN)

A. **Terms For Cease-fire:** The Foreign Minister, Mr. Tran Thanh in talks with journalists, said on January 27 that his Government would accept a cease-fire only if it had been agreed that North Viet-Namese troops and their auxiliary forces would leave the South and return North.

He said: "There cannot be any cease-fire for communist North Viet-Nam and the so-called National Liberation Front to make territorial claims or to hoist their flags in a move to show their presence here".

He also rejected the idea of forming a Government of members "initiated by NLF" and Saigon; such a coalition was prohibited by the Constitution.

Mr. Thanh did not reject a cease-fire. The main point of his remarks was officially interpreted to mean that a cease-fire could come only after very precise agreement. In a war where there could be some, even if only a few, of the enemy everywhere, the risks that he mentioned of flags misleadingly breaking out all over was real.

He did not appear to say that a cease-fire could be agreed only when North Viet-Namese and auxiliary forces had gone back North. Agreement to do so was the condition for stopping shooting, which would apparently be resumed if the agreement were not kept. But, he added, some hard-line references about not agreeing to stop fighting while the enemy continued bringing more troops into the South, and continues to prepare for new attacks.

Mr. Thanh's remarks about coalition were also open to interpretation. The position of the NLF, as confirmed in its opening statement in Paris, was not to seek coalition, but the overthrow of what it scorns as the Thieu-Ky-Huong **clique** and the setting up of a "peace government" that would come to the Paris table for serious negotiations.

What Mr. Thanh rejected was the idea of forming a new Government made up of NLF "front men" and members of the existing administration. Even those politicians known as "neutralist" or "moderate" would not agree to seeing the present Government overthrown. They hope that "more representative" men (namely, themselves) will be brought into the Cabinet, and that this team would be in a position to force NLF to do a deal, accepting for itself only a minor political role as an Opposition group.

Mr. Thanh's strictures did not rule out agreement to such a development. He confirmed that four committees had been set up within his Ministry to deal with all aspects of the Paris talks.

In its latest Note to the International Control Commission, protesting at what it called communist atrocities, the South Viet-Namese Government claimed that during December, 1968, about 241 civilians were killed, 859 wounded, and 124 kidnapped in communist actions.

American War Losses:

Meanwhile, it is said, more fighting men are involved on both sides than ever before in the war in Viet-Nam.

Nearly 1,500,000 allied troops are ranged against the Viet-Cong and North Viet-Namese forces estimated at not much over 200,000.

The United States has lost more than 30,500 men killed in Viet-Nam during the build-up of advisers and combat troops since 1961. Nearly half of these were killed in 1968. The figure could reach almost 40,000 by 1970, or more than were killed in Korea.

American war spending might decline slightly from the present level of around $30,000 million a year, if economies are put into e fect and the South Viet-Name take over more of the fighting. B it would take a cease-fire or s stantial withdrawals from t 550,000-strong American force t cut the price of the war drastically. Aircraft losses alone stand a 4,750 and will probably pass th 5,000 mark in 1969.

There is comparatively little t show for this staggering expenditure of men, money and machines. The build-up of American troops—followed by South Koreans, Australians, New Zealanders, Filipinos and Thais—has been matched proportionally by the North Viet-Namese and the problem of rural security is not even in sight of a solution, a guerrilla activity continues as intensively as ever.

Up-to-date war technology and the construction of vast base areas and logistic facilities have been injected into the country. The North Viet-Namese too have revolutionized warfare by the use of Russian and Chinese rockets, against which no tank, city or base camp is safe. Even their small arms outclass those of many South Viet-Namese units.

(**The Times,** London)

[Prev. ref. 8530:RVN:A; 8572:RVN: ·· A]

B. **Dr. Le Minh Tri Killed In Explosion:** The Minister of Education, Dr. Le Minh Tri, was killed in Saigon on January 6 in an explosion caused by a bomb hurled into his car by an unidentified person.

Dr. Le, bleeding from splinter wounds, was dragged from the wreckage of his car and died ten hours later in hospital. His chauffeur was killed and his bodyguard and two passers-by were wounded by the bomb, which was thrown into the car by a pillion passenger on a motor cycle.

(**The New York Times**)

[Prev. ref. 8658:RVN:B]

ASIA OUTSIDE ASIA

A. **Australian Initiative On South-East Asian Defence Talks:** The Australian Prime Minister, Mr. John Gorton, on a visit to London for the Commonwealth Premiers' Conference, on January 17 took the initiative in arranging the next five-Power conference on the situation arising out of the withdrawal of Britain from Singapore in 1971.

This conference will be held in Canberra on May 12 and would be attended by Britain, Malaysia, Singapore, Australia and New Zealand.

Among those present when Mr. Gorton made the proposal were Mr. Keith Holyoake, Prime Minister of New Zealand, Tengku Abdul Rehman, Prime Minister of Malaysia, Mr. Lee Kuan Yew, Prime Minister of Singapore, and Mr. Paul Hasluck, Australian Foreign Minister.

There was no discussion of the agenda or the issues. All the participants have to review the position. Tengku Abdul Rehman, for example, just before the Commonwealth leaders met, said that Singapore was unsuited as a base for modern defence needs and should be an open city.

As the British withdrawal proceeds, the Australian ground forces now in Terendak will be re-grouped in Singapore, but no decision was taken beyond that date about their deployment or the Air Force detachment and Army company to be left in Butterworth in Malaysia.

Singapore is building up its own forces simply with a view to local defence.

Britain's military withdrawal will be practically complete by March, 1970.

The decisions of the five-Power conference will depend in part on the demonstration of Britain's ability to concentrate forces quickly in the area.

On January 6, Tengku Abdul Rehman rejected the reported suggestion by Mr. Gorton that Singapore be made a base for a five-nation mobile force for regional defence. "Singapore will provide no effective defence against any attack," he said.

He added: "However, as the last War proved beyond doubt, Singapore cannot put up any form of defence. In time of war, Singapore should be declared a free area. If you drop ten bombs on Singapore the whole Island would be destroyed. Using it as a base would, therefore, endanger the lives of so many. How could we put a force there? If we put up a defence force it must be at a proper base. Air force in Singapore is good only for show or for economic purposes, certainly not for defence purposes."

He could not see the difference between a force based in Malacca and one based in Singapore.

Earlier, on January 3, Tengku Abdul Rehman welcomed the announcement by Mr. Gorton that Australia would maintain army, naval and air units in the Malaysia-Singapore area until the end of 1971. He said: "That's a very nice gesture of friendship."

(The Times, London and The Malaysian Times, Kuala Lumpur)

[Prev. ref. 8331:MAL:C, 8782:AOA: A]

B. Rise In Rice Price: The US Department of Agriculture, in a review of world rice trade, said on January 27 that the drought that had gripped several South-East Asian countries just before the rice harvest in November and December, 1968 had reduced the prospects of a second large crop and the prices were already moving upward.

The prices which had begun to fall when a large 180-million-ton crop had first been estimated for 1968-69 recovered partially when news of drought in Asia started coming in. India, China, South Korea, Cambodia, Thailand, South Viet-Nam and the Philippines have revised downward their production estimates.

It now appeared that with the exception of the United States, major producers will have only a little more rice available for export in 1969 than they had in 1968.

In India, the crop was now estimated at seven per cent below last season but still the third highest on record. India could be taking a little more than the 375,000 tons imported last year.

In South Viet-Nam, losses due to the drought were balanced by improvements due to the lull in fighting and the country will probably import less than the 700,000 tons of 1968.

(The New York Times)

[Prev. ref. 7593:AOA:E, 8522:AOA: A]

C. New Czech Government: The Presidium of the Czech National Council named a 21-man Government headed by Mr. Stanislav Razl for the new Socialist Republic on January 8.

Mr. Razl (48) is a former Minister for Chemical Industries.

The Slovak Government, under the new Federal Constitution giving internal autonomy to the Czech and Slovak Republics, was announced on January 2, and is headed by Mr. Stefan Sadovsky.

Mr. Razl, the Premier, heads a young and little-known Government. Mr. Razl and his Czech Socialist Republic Government were sworn-in in Prague next day (January 9).

The new Czech Government completes Czechoslovakia's three-Government Federal set-up. Mr. Razl's Cabinet joins that of Slovak Socialist Republic Premier, Mr. Stefan Sadovsky, and the Central Federal Premier, Mr. Oldrich Cernik.

Meanwhile, Mr. Jan Palach (21), the Czech student who set fire to his clothes on January 16 to protest against the re-introduction of censorship died on January 19.

Another student set fire to himself on January 20.

Altogether, three students lost their lives in the agitation up to January 28, 1969.

(The Statesman, Calcutta and The Times, London)

[Prev. ref. 8760:AOA:C]

D. Enzymes Artificially Created: According to a New York message, American scientists have artificially created the key chemical that controls all life—an enzyme. The feat fulfils an old dream of chemists and biologists.

Success in making an enzyme was announced on January 16 at Rockefeller University by two teams of chemist scientists working independently, using entirely different approaches; both groups reached their goal at about the same time. Their technical reports are carried in the current issue of the journal of the American Chemical Society.

Both made the enzyme ribo-nuclease. It plays a role in digestion, by breaking down a key substance in the nuclei of cells. All cells in foodstuffs must be split into simpler components, for use or discard by the body.

Without enzymes, nothing can live. They control all the bio-chemical reactions of all living things—man, germs, trees, fish, digestion, breathing, heart pumping, nerve impulses, formation of body tissues, energy to move muscles. All depend on enzymes.

A single body cell contains up to 100,000 enzymes each directing a specific reaction, each coming into play at the right time and place.

Creation of an enzyme in the laboratory, scientists said, opens exciting prospects. More can be learnt about how enzymes do their fantastic work, in only thousandths of a second. Special enzymes might be man-made to do new chemical tasks.

Enzymes might be fashioned into potent new drugs and holds promise to prevent tooth decay.

Ribo-nuclease is a protein, which means it consists of sub-units, amino acids, put together in a specific, orderly arrangement or chain, and is composed of 124 units or amino acids.

(The New York Times)

E. Core Of Planet Mars: Data from the **Mariner-4** satellite which flew past Mars in 1965 has convinced US scientists that the planet has an iron core like the Earth, but the volcanic activity that formed it stopped long ago.

Dr. Alan B. Binder, if the Illinois Institute of Technology and Research, told a meeting of the American Geophysical Union in San Francisco on December 2, 1968 that the core of Mars was smaller than that of the Earth and was not molten. This had been worked out from accurate measurements of Mars's radius and mass obtained by the satellite compined with recent findings about the composition of the Earth which was believed to have a similar geological history.

If Mars, like Earth, was composed largely of minerals containing iron, silicon, magnesium and oxygen, its core must be solid and nonvolcanic because the planet's internal temperature was below the melting point of these minerals.

(The New York Times)

[Prev. ref. 8069:AOA:B, 8489:AOA:H]

F. Big Powers' Race Under Water: The Soviet Union, USA and Britain disclosed on February 18 that besides racing to get men into space, they were competing to get men under the sea.

Their plans to put men on the sea-bed where they could exploit the vast mineral and food wealth buried under the 141 million square miles of oceans were revealed at the opening of the world's first International Oceanology Exhibition and Conference in Brighton (Britain).

More than 2,000 of the world's leading oceanological experts attended the conference for five days discussing how they could recover minerals from under the sea and harness the food proteins floating in the oceans.

Their first problem was how to get to the sea-bed and stay there long enough to work.

They believed they each had the answer—new forms of sophisticated diving bells which would be ocean-floor workshops serving as a base from which man could reconnoitre the sea-bed, just as astronauts were now doing in space when they leave their spaceship for a walk.

The Russians produced photographs of **chernomor,** a 62-ton underwater loboratory in which four Russian scientists spent a week on the bottom of the Black Sea in 1968.

British industry presented an undersea workshop designed by a British aircraft corporation scientist.

The Americans, who had the biggest foreign display publicized details of their Sea-lab—111 which would carry nine aquanauts, including two British naval officers, 600 feet down into the Pacific Ocean off California and leave them there for 60 days.

(The Times, London)

G. Super Nuclear Weapon Claimed By USSR: In a booklet "Soviet Army Day" released by the Russian Embassy in New Delhi on February 26, the Soviet Union claims to possess a nuclear warhead that combines "the power of all the explosives used in all the wars fought in the history of mankind" and the capability to deliver it to any part of the world.

The booklet says that Russia's powerful new nuclear weapon is characterized by a "set of totally new destructive factors such as powerful shock wave, luminous and thermal radiation penetrating radiation and radio-active contamination."

It estimates that a 10 to 20 megaton surface nuclear explosion will create a zone of total destruction with a radius of 15 km to 20 km.

Russia has developed 50 megaton to 100 megaton nuclear charges.

Referring to the development of rocketry and the nuclear missile system, the booklet says the trajectory of a rocket passes beyond the Earth's atmosphere at an altitude of 1,200 km or more. The automatic control systems of rockets ensure exact coverage of the targets set, irrespective of the weather conditions, reason of the year or hour of the day.

The booklet describes the newly created strategic rocket force and the rocket-carrying atom-powered submarines as the main deterrent to the aggressor—"an effective means for the decisive destruction of the aggressor in the event of an armed clash."

Then there are global rockets. Their range is practically unlimited. Since they are capable of hitting targets from any direction, these rockets are virtually impervious to anti-missile defence. The power of the rocket engines is "fantastic"—20 million HP. This is equivalent to the engine power of one million tractors or 400 000 lorries. The capacity of the missile propulsion units is many times greater than that of a large hydro-electric station.

Atomic-powered missile-carrying submarines, it says, are characterized by such essential combat qualities as concealment of approach to the launching position, hiph mobility and tremendous striking power. Missiles launched from submerged position are capable of hitting surface targets at sea and ashore hundreds or even thousands of kilometres away.

The air-borne trrops are designed to accomplish important strategic tasks. They are equipped with their own artillery and vehicles. Soviet air-borne troops may be landed in the enemy rear with material essential for combat, including medium tanks.

(Tass and **The Statesman,** New Delhi)

H. Space For Military Partners—US View On Soviet Capabilities: According to US space experts on February 28, the Soviet Union might try to use space as a military operating area.

Careful evaluation of the Soyuz IV and V joint flight is said to have convinced most US experts that the major Soviet goal is to develop an operational space station as soon as possible. By joining two manned vehicles in orbit and transferring two crewmen from one to the other, the Russians demonstrated that they would soon have the capability to build an orbiting laboratory.

The station could serve as an observation platform for weathermen, astronomers or geologists searching for Earth's hidden riches. Scientists cite the attractions to medical men, biologists and engineers of conducting experiments in a true vacuum and weightlessness.

A space station would also fulfil the long-stated Soviet target of military superiority in space. From an orbiting platform, cosmonauts can conduct daily reconnaissance missions over every part of the globe. They can intercept hostile missiles and inspect and disable foreign spaceships.

(The New York Times)

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INDIA

A. Central Budget For 1969-70: Presenting the first Central Budget of the Fourth Five-Year Plan period (1969-70) to the Lok Sabha on February 28, the Deputy Prime Minister and Finance Minister, Mr. Morarji Desai, said that he proposed to make such changes in the tax structure, to sustain progressively larger development outlays and to limit expenditure proposals in the short run to the total resources that could be so mobilized.

The Budget Estimates for 1969-70, he said, showed an increase of Rs. 151 crores at existing rates of taxation. He anticipated a further decline in customs receipts from Rs. 445 crores in 1968-69 to Rs. 426 crores in 1969-70. Union excise duties would show an increase of Rs. 101 crores. Corporate and income-taxes should yield Rs. 15 crores more as against Rs. 660 crores in the current year. There would also be an increased yield of Rs. 50 crores in non-tax revenues.

This increase in revenue would, however, be more than absorbed by increases in expenditure on revenue account. Defence expenditure on revenue account would be more by Rs. 42 crores. Excluding certain accounting adjustments, the non-Plan civil expenditure would be Rs. 142 crores. Of this, Rs. 41 crores would be accounted for by interest charges. As a result of the Fifth Finance Commission's recommendations, there would be an additional devolution of Rs. 36 crores to the States. Committed expenditure arising out of completed Plan schemes would necessitate an increase of nearly Rs. 35 crores. Export promotion measures would account for another increase of Rs. 10 crores.

On capital account, the net market borrowings in 1969-70 were estimated at Rs. 106 crores as against Rs. 81 crores in the current year (1968-69). Small savings would yield Rs. 135 crores, an increase of Rs. 10 crores. Of this, nearly two-thirds would accrue to the States. Public Provident Fund should yield Rs. 5 crores in 1969-70 as against Rs. 2 crores in the current year.

External Aid:

Mr. Desai anticipated that the net external aid, excluding PL 480 and other food aid, would show a marginal increase from Rs. 459 crores in the current year to Rs. 467 crores in 1969-70.

Agreements for concessional imports of foodgrains and agricultural raw material would be necessary for some more time. Consequently, the net budgetary support accruing as a result of PL 480 transactions and other food aid, but excluding PL 480 grants already accounted for in the revenue estimates, would be Rs. 224 crores next year as against Rs. 226 crores this year.

He, however, stated that the improvements under internal borrowings and external assistance, which would be Rs. 13 crores in all, would be more than absorbed by the increase in Defence expenditure on capital account of Rs. 17 crores and on Border Roads of Rs. 4 crores.

The total stocks of foodgrains with the Food Corporation would be increased by 1.5 million tonnes during the coming year. This would necessitate a Budget provision of Rs. 25 crores.

In the net, the resources available, at the existing rates of taxation and on the basis of likely availability of internal borrowing and external assistance, would leave practically no margin for increasing the provision for the Plan to be financed through the Centre's Budget next year.

As regards the budgetary contribution of public sector undertakings next year, he felt that it was not likely to show any significant improvement.

Outlining the scope of deficit-financing in 1969-70, he said that this could not be defined in terms of the Budget needs. The determinants would be the needs of the economy in the light of the likely growth in production and the saving habits of the people. "Taking everything into account", he said, "I have come to the conclusion that a budgetary deficit next year of roughly the same magnitude as this year is likely to reconcile best the concern for price stability and the maintenance of a climate for growth."

Revised Estimates:

Dealing with the Revised Estimates for 1968-69, Mr. Desai said that the budgetary deficit was now estimated at Rs. 260 crores as against Rs. 290 crores in the Budget Estimates. This ten per cent variation in deficit-financing should not be considered as an index of conservative budgeting.

Customs revenue had registered a short-fall of Rs. 94 crores. The receipts from Union Excise Duties and Income-tax, however, were expected to be more by Rs. 54 crores. After taking allowance for non-tax revenues, the total revenue receipts accuring to the Centre were likely to show a short-fall of Rs. 11 crores only as compared to the anticipated realization of Rs. 2,760 crores.

Revenue expenditures were likely to exceed the Budget Estimates of Rs. 2,629 crores by Rs. 116 crores. Almost half of this increase represented only a pure accounting change which is balanced by a corresponding gain on capital account. Another Rs. 49 crores was accounted for by additional defence expenditure on revenue account. On capital account, there was a reduction in defence expenditure of Rs. 13 crores.

It would thus be seen that, barring the increase under defence and transactions of a purely accounting nature, revenue expenditure had been held within less than one per cent margin of the Budget estimates.

The variations on capital account were of a more substantial order. Net external assistance would show a short-fall of Rs. 121 crores and PL 480 and other food aid a short-fall of Rs. 43 crores. However, improvement under market loans, reduction in the provision for transactions in foodgrains and fertilizers and some shortfalls in Plan outlays would offset these shortfalls to an extent.

Revenue Account:

The gross Revenue in 1968-69 went up by Rs. 43 crores, despite a shortfall of Rs. 94 crores under Customs duties. This was mainly because of increased Excise duties and Income-tax collections and also interest and other non-tax receipts.

States' share was also more by nearly Rs. 54 crores because of larger collections and arrear payments.

The Revenue expenditure went up by Rs. 116 crores. Nearly half of this was on account of conversion of loans to States into grants or payment of grants instead of loans. A part of loans to displaced persons was also converted into grants.

At existing rates of taxation, the gross Revenue for 1969-70 was estimated at Rs. 3,392 crores, i.e. Rs. 152 crores higher than in this year, despite a short-fall under Customs duties. This was mainly because of larger collections under Excise duties, Income-tax, interest and other receipts.

The Revenue expenditure for 1969 70 was estimated at Rs. 2,960 crores, i.e. Rs. 215 crores more than in this year. If allowance was made for the accounting adjustments of the type referred to under this year's Revenue expenditure, the increase would be Rs. 264 crores—Rs. 184 crores in the non-Plan section and Rs. 80 crores in the Plan section.

After providing Rs. 402 crores for the Plan (Central, State and Union Territories) in the Revenue Budget, there would be a Revenue deficit of Rs. 60 crores next year at existing levels of taxation.

Capital Account:

Capital receipts net of non-developmental outlay in 1968-69 went up by Rs. 97 crores. While the market loan yielded Rs. 21 crores more, external aid and PL 480 assistance had shown a short-fall of Rs. 121 crores and Rs. 43 crores respectively. This short-fall was, however, more than made up by larger recoveries of loans and improvement in the miscellaneous debt deposit heads.

The Capital disbursements show a short-fall of Rs. 59 crores. The bulk of this occurred under food and fertilizer transactions and the rest under Defence and Border Roads Capital outlay.

Capital receipts net of non-developmental outlay for 1969-70 would be Rs. 111 crores less than in the current year. While the market loan was expected to yield Rs. 25 crores more and external aid and PL 480 aid together Rs. 6 crores more, repayment of Compulsory Deposits would account for an outgo of Rs. 25 crores.

Capital disbursements for 1969-70 were placed at Rs. 1,540 crores, including a developmental outlay (both direct expenditure and loans) of Rs. 1,363 crores, Rs. 170 crores for Defence and Border Roads and Rs. 7 crores (net) on food and fertilizer transactions.

Budget At a Glance:

The following is the Budget at a glance:

(In crores of rupees)

	1968-69		**1969-70**
	(Budget)	**(Revised)**	**(Budget)**
Revenue Receipts	3027	3040	3302
Revenue Expenditure	2896	3036	3262
Revenue Surplus	131	4	40
Capital Receipts	2097	2213	2338
Capital Disbursements	2517	2477	2628
(Less) Revenue Surplus	131	4	40
Overall Deficit	289	260	250

Defence Expenditure:

A feature of the defence Budget is the steep rise in the capital outlay for Navy by 50 per cent over the current year's figure. At Rs. 28 crores, it will be three times the provision made in 1967-68.

The Army which has not been able to spend what was provided for 1968-69—the revised estimates for capital expenditure are Rs. 40 crores against the budgeted figure of Rs. 45.7 crores—gets now Rs. 44 crores.

The Air Force outlay marks a steady decrease in the last two years. The Air Force too could not spend the budgeted amount during 1968-69 and now gets slightly less.

The manufacturing and research establishments which too failed to measure up to the estimates have undergone a ten per cent cut. But, the outlay on industrial and related organizations has nearly doubled.

Of the three Services, the Navy expenditure exceeded the estimates of the capital expenses, even though marginally—stores mainly accounting for the increase.

In all, the Defence outlay in 1969-70 will go up by nearly Rs. 58 crores to a total of Rs. 1,110 crores. The actual expenditure during 1968-69 increased by Rs. 36 crores.

The reason for the increase given by Mr. Morarji Desai was the additional burdens due to the increase in the allowances to certain categories of Service personnel—higher dearness allowance, increase in the house rent and city allowances as a result of merger of a part of DA with the pay. The other factors accounting for higher outlay are increase in the expenditure on stores and delivery of supplies on a larger scale than was anticipated.

It was proposed to invest Rs.6 crores in the Hindustan Aeronautics Limited, the Bangalore division of which has started work on the design and development of a new combat aircraft and proposes to enter into collaboration with foreign firm for the development and production of a ground attack aircraft, pending the design development and production of an all-Indian combat aircraft.

A new public sector undertaking was proposed to be set up for the manufacture of certain defence weapons and a provision of Rs. 10,00,000 has been made for investment in the share capital of this undertaking. The official documents do not indicate the type of weapons this new factory will manufacture.

A significant sector accounting for increase in the Army expenditure was the Defence Research and Development Organization, which gets over Rs. 13 crores, which is 13 per cent more than this year's (1968-69) outlay. The increase is mainly in regard to Service personnel.

The defence expenditure has gone steadily upwards since the N-EFA **debacle** of October-November, 1962. In 1961-62, the allocations for defence were Rs. 313 crores, and in 1962-63 Rs. 474 crores. The upward trend started from 1963-64.

The year-by-year figures are as follows:

1963-64	Rs. 816 crores
1964-65	Rs. 806 crores
1965-66	Rs. 885 crores
1966-67	Rs. 907 crores
1967-68	Rs. 968 crores
1968-69	Rs. 1,051 crores

It is noteworthy that a little less than half of the overall expenditure on defence for next year is claimed by the pay and allowances of Service personnel. Out of an estimated revenue expenditure of Rs. 986 crores next year, pay and allowance account for Rs. 446.49 crores. This is largely due to the big expansion in the Army since 1963. Other major heads of expenditure are stores and equipment, particularly modern fighting aircraft and fighting ships and pieces of heavy armour. In next year's (1969-70) Budget, Rs. 408 crores have been provided under this head.

Little Dividends From Public Sector:

Mr. Morarji Desai said that contribution to the Central Budget next year (1969-70) from public sector undertakings "is not likely to show any significant improvement over the current year".

The revised estimate of dividends from public sector units for 1968-69 were placed at Rs. 12.10 crores. According to Budget estimates for 1969-70, dividends from public sector units were expected to rise by only Rs. 43,00,000 to Rs. 12.53 crores.

However, according to a separate memorandum presented to the Lok Sabha, dividends from public sector units were more than offset by their losses. For instance, in 1967-68, while dividends from these undertakings totalled Rs. 10.13 crores, taken together, the 80 odd public sector units incurred a net loss of Rs. 35 crores.

The total investment in public sector projects at the end of 1967-68 was Rs. 3,500 crores. Out of this investment, 55 running concerns account for Rs. 3,200 crores. Total investment in the steel sector alone is Rs. 1,180 crores. Investment in other major sectors are: engineering Rs. 833 crores, chemicals Rs. 350 crores; petroleum Rs. 378 crores, and minerals and metals Rs. 273 crores.

Taxation Proposals:

Mr. Desai then introduced tax proposals to the tune of Rs. 150.27 crores.

He announced reduction in export duties which would result in a loss of Rs. 23 crores in revenue.

Together with the new taxation proposals, the overall deficit in the Budget for 1969-70 would be reduced to Rs. 250 crores.

The following are the highlights of the taxation proposals:—

Indirect Taxes:

Customs Duties.

A. Import duties were stepped up as follows:-

(a) Lubricating oil by 12½ per cent ad valorem (Gain—Rs. 2,60,00,000)

(b) Motor cars by 40 per cent ad valorem (Gain—Rs. 60,00,000)

(c) Dry fruits and seedless dates by revising the basis of valuation (Gain—Rs. 3,00,00,000)

Total gain in revenue from import duties would be Rs. 6,20,00,000, i.e. the revenue would go up from nearly Rs. 325 crores to Rs. 331 crores.

B. Export duties were reduced as follows:

(a) Jute manufactures:

(i) Hessian by Rs. 300 per tonne

(ii) Wool sacks by Rs. 250 per tonne (i.e. completely exempted)

(iii) Cotton bagging by Rs. 200 per tonne (i.e. completely exempted)

(iv) Other sacking by Rs. 100/- per tonne

Loss of revenue as a result of these reductions would be Rs. 11,75,00,000.

Tea:

(i) Package tea by ten per cent ad valorem

(ii) Other tea by five per cent ad valorem plus 20 paise per kilogram.

Loss of revenue would be Rs. 10.55 crores.

(c) Degreased raw wool by ten per cent ad valorem i.e., completely exempted. (Loss of revenue—Rs. 30,00,000)

(d) Mica loose splittings nos. 5½ and 6 by 20 per cent ad valorem (Loss of revenue—Rs. 40,00,000)

Total loss in revenue from export duties would be Rs. 23 crores (i.e. the revenue will drop from Rs. 97 crores at existing rates to Rs. 74 crores).

Union Excise Duties:

A. Excise duties are proposed to be levied on the following new commodities:

(1) Fertilizers at the rate of ten per cent ad valorem, yielding a revenue of Rs. 22 crores

(2) Power driven pumps at the rate of 20 per cent ad valorem, yielding Rs. 2 crores

(3) Prepared or preserved foods at the rate of ten per cent ad valorem, yielding Rs. 1,50,00,000

(4) Domestic electrical appliances at the rate of ten per cent ad valorem, yielding Rs. 2 crores

(5) Cinematograph films unexposed (raw film) at the rate of two paise per metre yielding Rs. 10,00,000.

(6) Pilferproof caps for packaging at the rate of one paisa each, yielding Rs. 50,00,000

(7) Wool tops at the rate of ten paise per kilogram yielding Rs. 6,00,000.

The total yield from the above would be Rs. 28 crores.

B. The excise duties on the following commodities are proposed to be changed:

(1) On vacuum pan sugar, the existing specific rate of Rs. 28.65 per quintal will be converted into an ad valorem rate of 23 per cent, yielding a gain of Rs. 27.45 crores.

(2) On cigarettes the increases range from six per cent to 18 per cent ad valorem, yielding a gain of Rs. 15,84,00,000

(3) On motor spirit, the duty is increased from Rs. 550 to Rs. 620 per kilolitre, yielding a gain of of Rs. 14,00,00,000

(4) On superior kerosene, the duty is increased from Rs. 165.25 to Rs. 205.25 per kilolitre, yielding a gain of Rs. 14,40,00,000

(5) On rayon and synthetic fibres and yarn—cellulosic staple fibre, increased from Re. 0.80 to Re. 1.00 per kilogram; non-cellulosic staple (polyester) fibre, increased from Rs. 16 to Rs. 28 per kilogram. These increases would yield a gain of Rs. 7.20 crores.

(6) Jute manufactures— On hessians, the duty is increased from Rs. 495.00 to Rs. 605.00 per tonne. On others, the duty is increased from Rs. 275.00 to Rs. 385.00 per tonne. These increases would yield a gain of Rs. 4,95,00,000.

These changes in excise duties will yield a total of Rs. 83,84,00,000.

C. The excise duty on khandsari sugar, rubber products, vegetable product, soda ash, caustic soda, sodium silicate, soap, cement, electric bulbs and fluorescent tubes and electric fans is being modified. These modifications are incidental to other proposals or are in the nature of rationalization on account of conversion of specific rates into ad valorem rates. As a result of these modifications, there would be a gain of Rs. 3,50,00,000—i.e. Rs. 30,00,000 from khandasari sugar, Rs. 60,00,000 from rubber products and Rs. 2,60,00,000 from others.

As a result of the changes in exise duties and the imposition of excise duties for the first time on new commodities, there would be a total gain of over Rs. 115 crores.

D. The following reliefs in excise duties were proposed:-

The duty on nylon yarn of lower deniers is being reduced by Rs. 5 to Rs. 8 per kilogram, with suitable increases on some of the higher deniers (Loss Rs. 1,73,00,000)

Duty on rayon yarn, excluding industrial denier yarn in respect of big producers is being stepped up by about ten per cent and the margin for small producers is being reduced.

Relief is proposed in duty on cotton 'hank' yarn used by handlooms; differential between "sized" and "unsized" yarns for the purpose of assessment of duty is being removed with some increase in the duty on "unsized" yarn of higher count; the existing fabric compounded levy on powerlooms is being doubled (Loss Rs. 5,80,00,000).

Substantial relief is being given in duty on "gray" and "processed" medium-A, medium-B and coarse fabrics.

A surcharge is being levied on printed fabrics.

Suitable adjustment is proposed in duty on fents.

An ad valorem rate of duty is being fixed on nine selected costly varieties of fabrics.

Steel ingots or iron/steel products produced by electric furnace owners from scrap are being exempted from duty to the extent of steel ingot duty of Rs. 75 per tonne (Loss Rs. 1,00,00,000).

Duty on confectionery other than chocolates is being reduced by 50 paise per kilogram (Loss Rs. 80,00,000).

On embroidery, the effective rates of duty are being reduced by about 35 per cent (Loss Rs. 65,00,000).

Duty on electronic valves, tubes, transistors and semi-conductor diodes used by radio manufacturers is being reduced by one-half. (Loss Rs. 60,00,000)

Substantial relief in duty is being given to cinematographic films exposed, including total exemption on the first 12 prints of "black and white"; at the same time higher rates of duty are being fixed on "colour" films.

The total reliefs amount to Rs. 10,93,00,000.

The net gain under excise duties will, therefore, be over Rs. 104 crores, of which Rs. 24 crores will accrue to the States.

E. The corresponding countervailing duties on imports, notably of fertilisers, will yield Rs. 26 crores.

Direct Taxes:

A. Measure for raising additional revenue:

(1) Rates of income-tax on current incomes for deduction of tax at source from salaries and payment of advance tax on other incomes during the financial year 1969-70:

(a) Personal Incomes:
The rates of basic income-tax on incomes over Rs. 10,000/- will be stepped up as follows:

Slab: Rs. 10,001—Rs. 15,000—to 17 per cent as against 15 per cent at present

Slab: Rs. 15,001 to Rs. 20,000—to 23 per cent as against 20 per cent at present.

This means that at Rs. 15,000, the additional income-tax (including surcharge) will be Rs. 110, and at Rs. 20,000 and above Rs. 275 in each case.

(b) Co-operative Societies:-
The amount of business income exempt from tax will be raised from Rs. 15,000 to Rs. 20,000. The rates of basic income-tax on co-operative societies will be revised as under:

Income Slab	Rate of Tax
Rs. 1—Rs. 10,000	15 per cent
Rs. 10,001—Rs. 20,000	25 per cent
Above Rs. 20,000	40 per cent

(c) Registered firms: The initial slab of income exempt from tax will be reduced from Rs. 25,000 to Rs. 10,000, and on the slab of Rs. 10,001 to Rs. 25,000 the rate of basic income-tax will be four per cent.

(2) Advance Tax: Changes will be made in the scheme of payment of advance tax to make it more effective and to reduce the burden of compliance on tax-payers with small incomes.

The gains to revenue from these changes in the rates of personal incomes would amount to Rs. 21.50 crores.

From the assessment year 1970-71, agricultural property will also be included in the net wealth and subjected to Wealth Tax at the present rates. Genuine agriculturists could however, be exempted from the purview of this step. Standing crops and tools, implements and equipment will be exempted. Gains to revenue for 1970-71 (Rs. 5 crores approximately) will be passed on to States as grants-in-aid.

(b) Incentives and reliefs:

(1) Cotton and jute textile industries will be treated as priority industries for development rebate.

(2) Tax holiday concession is extended by another five years i.e. upto 31.3.1976.

(3) Public companies whose equity shares are listed in a recognised stock exchange will be treated as widely held companies.

(4) The amount of Indian company dividends exempt from tax will be raised from Rs. 500 to Rs. 1000.

(5) 40 per cent of royalties and fees received by Indian companies for providing technical know-how etc. to other concerns in India will be exempted.

(6) The area of tax relief on savings through life insurance policies is to be widened.

(7) 25 per cent of professional income of authors, artists, etc. from foreign sources in foreign exchange is exempted.

(8) The standard reduction for maintenance of motor cars is raised from Rs. 150 to Rs. 200 per month for salaries upto Rs. 15,000.

The reduction in revenue because of the above changes for 1969-70 would be Rs. 8 crores.

(C) Miscellaneous:
As a deterrent measure, penalties under Wealth Tax for certain defaults are being related to net wealth instead of Wealth Tax.

The telephone rentals in Bombay, Calcutta, Madras and Delhi are to be revised from Rs. 300 per annum to Rs. 360 per annum. For other exchanges, the rates will be raised from Rs. 240 per annum to Rs. 300 per annum under the measured rate system and from Rs. 300 per annum to Rs. 340 per annum for the flat rate system.

The Directory Enquiry Service which has been free will now be charged for.

A uniform additional charge of 50 per cent of the basic charge is proposed to be levied on trunk calls for Particular Person, Fixed Time and Subscriber Fixed Time calls instead of the existing additional charge on a slab rate.

The charges for greetings telegrams, multiple telegrams. telex services and a few other services will be raised. (Total yield is Rs. 6.46 crores in a full year which will cover the deficit in the Posts and Telegraphs Budget.)

Summing up:

Summing up, Mr. Desai said that the net additional revenue accruing to the Centre next year (1969-70) from the new meaures of taxation would be about Rs.100 crores, of which Rs.11 crores would be under direct taxes, Rs.80 crores under excise duties and Rs. 9 crores under customs duties, after allowing for the reduction of Rs. 23 crores in export duties. In addition, a sum of Rs. 27 crores would accrue to the States.

Summarising the Central Government's resources position for next year (1969-70), he said that the total gross revenue after taking into account the additional taxation measures was estimated at Rs. 3,519 crores, of which Rs. 519 crores would accrue to the States, leaving Rs. 3,000 crores for the Centre.

Non-Plan expenditure on revenue account, including grants to States, interest charges and defence expenditure, was placed at Rs.2,558 crores, leaving a non-Plan revenue surplus of Rs. 442 crores.

Next year's (1969-70) market borrowing and external borrowing, net of repayments, were estimated at Rs. 106 crores and Rs. 691 crores respectively.

After taking into account the transactions under miscellaneous debt deposit heads and after providing for non-Plan capital expenditure and loans, including buffer-stock provision and cash losses of some public sector undertakings, the resources on capital account would be Rs. 1,046 crores.

The Central Government's budgetary resources for the Plan were accordingly Rs. 1,738 crores, including Rs. 250 crores of deficit-financing. In addition, the public sector undertakings, including the Railways and Posts and Telegraphs, were expected to find Rs. 165 crores for the Plan from their own resources. The total availability of the resources for the Plan next year, exclusive of the States' resources, would thus be Rs. 1,903 crores. Of this, Rs. 615 crores had already been earmarked for Plan assistance to the States and Rs. 65 crores to the Union Territories. This would leave Rs. 1,223 crores for the Central Plan proper, including the Centrally sponsored schemes.

The Central Plan next year, contained a larger provision for steel production, ports, petro-chemicals, fertilizer plants, development of iron-ore mines for export and copper and aluminium production.

Broadly speaking, he said, the tax proposals were intended (1) to provide a measure of relief where necessary, especially for exports, savings and modernisation of key industries; (2) remove anomalies; (3) to further rationalize and simplify the tax structure; (4) plug loopholes to prevent tax avoidance or evasion; (5) spread the burden of taxation more evenly; and (6) generally to make the tax system more responsive to the needs of economic growth.

Rise In Income-Tax Rates:

As a result of the increases proposed in the Central Budget in the basic income-tax rates, people with annual incomes exceeding Rs. 10,000 will pay a higher tax next year.

People in the income slab Rs. 1,001 —Rs 1,800 will pay additional tax amounting up to Rs. 209, while those with higher incomes will pay Rs. 275 per year more.

The following table shows at selected levels of income of a resident, married or individual with two or more dependent children, the comparative incidence of tax (including surcharges) at the current rates and at the new rates proposed in the Budget:

Income	Tax (including surcharge) at the rates applicable during the financial year 1968-69).	Tax (including surcharge) at the rates in the Bill for computation of advance tax and deduction of tax at source from "salaries" during 1969-70).
Rs.	Rs.	Rs.
10,000	561	561
12,500	974	1,029
14,000	1,221	1,309
15,000	1,386	1,496
16,000	1,606	1,749
18,000	2,046	2,255
20,000	2,486	2,761
25,000	4,136	4,411
40,000	11,836	12,111
70,000	30,536	30,811
1,00,000	51,986	52,261
2,00,000	1,28,986	1,29;261
3,00,000	2,08,736	2,09;011
5,00,000	3,73,736	3,74;001

Economic Survey For 1968-69:

An Economic Survey for 1968-69 presented to Parliament by Mr. Morarji Desai on February 21 said that having recovered considerably from the shocks of famine and recession, the country's economy was now poised for another major effort towards development but this would necessarily need higher tax revenue, larger domestic savings and more non-project assistance.

It expressed satisfaction that the pace of recovery in the economy had been continued for the second year in succession. A heartening feature seemed to be that for the first time since 1955, prices had shown a decline in relation to the preceding year.

During the year, the national income should rise by three per cent, with industrial production up by 5 to 6 per cent, and agriculture output remaining around last year's peak level of 96 million tonnes.

The balance of payments position continued to improve intrinsically though this might not be reflected significantly in the reserves owing to various adverse factors such as reduced aid withdrawals, increased debt-repayments, lower prices fetched by Indian exports and the need to make larger payments to the International Monetary Fund.

But, though the reserves had not improved, there had been "a striking growth in exports" and fall in imports. Most encouraging were the strides made in the export of iron and steel that may touch $100 million and of engineering goods expected to be $90 million during the year.

The need for a bigger tax effort was highlighted in the Survey. "The securing of an adequate buoyancy of tax revenues in relation to national income growth will be a major task of public finance policy in the coming years. More generally, it will be necessary to correct the decline in the ratio of total domestic savings to national income from about ten per cent in 1965-66 to around eight per cent in 1967-68; and an increase in public savings is a necessary part of this process in our conditions."

It expressed concern that in spite of substantial recourse to additional taxation "the proportion of tax revenue of the Central and State Governments to national income had declined from 14.2 per cent in 1965-66 to 12.3 per cent in 1967-68. The ratio of public savings to national income, which had been in the range of 2.5 per cent to three per cent during the Third Plan is likely to have declined in 1967-68".

Loans would need to play a major role in financing the Fourth Plan. "These will need to take the form not only of more intensive use of the traditional savings instruments but also the development of new media which will facilitate investments by those with larger income to finance schemes in which they may be interested. These would include deposits and loans for expansion of facilities such as power and irrigation".

It made a pointed reference to the crisis faced by the jute industry in the current year which affected both the industry and exports and hoped that the production of jute would be stepped up and an adequate buffer stock of raw jute would be created and at the same time the farmer would be assured a remunerative price.

Reference was also made to the healthy effect of the liberal policies followed by the Government in regard to industrial licences, import liberalization, export incentives and bank credits.

It listed the various steps taken to stimulate industry and exports and indicated that the process of liberalization would be continued in the coming year.

The review called for significant changes in the pattern of foreign aid and pointed out that unlike in the past when project aid was synonymous with the creation of new assets, imports under non-project assistance would now contribute more effectively to capital formation "in the sense that considerably more capital formation is possible with any given quantum of external assistance in non-project than in project form".

This was because of the large unutilized capacity built up in the capital goods industry in India which could be used if spares, components and essential raw materials could be more freely imported.

Note was also taken of the shift recently in the terms of aid from the liberal stand taken by the Aid-India Consortium countries in 1966-67. It says: "In the recent past, there has been some tendency to shift assistance towards projects or tie non-project assistance to capital machinery or project type imports. It is to be hoped that this trend will be reversed and freedom to utilize assistance in the manner that will best utilize domestic capacity will be restored."

Aid in the pipe-line which was $3,280 million at the end of March, 1967 declined to $2,676 million at the end of the March, 1968. But at the end of the current year, it would be "somewhat higher" than a year ago because of the lower level of utilization and disbursement.

Food imports would have to be continued "for some more time" to restore consumption to more satisfactory levels and to build up a buffer-stock. Aggregate stocks at the end of the year, including working stocks, may be of the order of 3,500,000 tonnes although these should rise to about 5,000,000 tonnes by the end of June, 1969.

Food prices declined by 9.5 per cent during the year. The decline varied from 0.5 per cent in rice to 30.3 per cent in pulses. On the other hand, the price index of industrial raw materials showed an increase of 7.5 per cent, but this was mainly on account of raw jute prices which rose by 67 per cent during the year.

The price stability was also reflected in the movement of the all-India working class consumer price index. The index at 214 for November, 1968 was lower by 0.9 per cent as compared to its level a year before.

In industrial commodities, the policy of gradual relaxation of controls as and when supplies improve was continued and in some cases controls were removed altogether.

A happy balance had been struck between increase in national income and money supply. While the average increase in national income over the two-year period from April, 1967 was about six per cent, the increase in the money supply this year was 6.5 per cent.

Persistent recourse to unauthorized overdrafts by the States had been a matter of serious concern, in 1968. The Reserve Bank had to issue formal notices to some States to clear their overdrafts within three weeks. This they did but with Central Ways and Means assistance.

(P & B, The Times of India; The Statesman and **The Hindustan Times,** New Delhi)

[Prev. ref. 8215:INI:A]

ISRAEL

A. Developments In West Asia—Fighting Continues: According to Baghdad Radio, Iraqi forces in northern Jordan shot down two Israeli aircraft on February 3.

The aircraft crashed in the Israeli-occupied Syrian region of Golan. One Iraqi soldier was wounded in the raid.

But Israel denied the report that Israeli planes had attacked the Iraqi troops stationed in Jordan.

In Tel Aviv, an Israeli spokesman said the raid was in retaliation for an attack by automatic weapons firing from Jordan territory against the Israeli forces in the Beisan Valley.

In Amman, a military spokesman said that two Israeli fighters had dropped napalm bombs on the northern valley region of Jordan, near Manshiyeh on February 3. There were no casualties but agricultural estates had been damaged.

The spokesman added that the Israeli and the Jordanian forces had earlier exchanged fire for an hour in the northern valley region.

On February 10, Jordanian and Israeli forces clashed for seven hours south of the Dead Sea when, according to a Jordanian military spokesman, Israelis opened artillery fire on Jordanian forces in the Ghor Safi area. The fire was returned.

On February 10, it was said in Tel Aviv that Israeli aircraft attacked Arab guerrilla posts south of the Dead Sea after mortar bombs had been fired at an Israeli village.

The Israeli jets dived over the firing points from which mortar shells were lobbed at the village of Neot Hakikar where they crashed without causing casualties or damage.

A Jordanian spokesman said there were no casualties on their side in Israeli artillery shelling and aircraft strafing in areas in Ghor Fifeh.

Again, on February 11, Israeli forces and Arab guerrillas fought an artillery duel 15 km south of the Dead Sea following two successive nights of clashes across the Israel-Jordan border. The attack followed a series of clashes in the Dead Sea region during the past two nights.

A Damascus report said that a Syrian MIG-21 was destroyed in a fight with Israeli aircraft on February 12 was confirmed.

An Israelli millitary spokesman said that two Syrian Air Force jets of the MIG type were intercepted over the Israeli-occupied Golan heights in the Kuneitra town sector.

It was the first Syrian plane shot down by Israeli fighters since the June war of 1967.

Israeli jet planes flew across the river Jordan on February 17 to strike at Arab guerrilla posts following an attack on an Israeli patrol car. The attack on the car was mounted from the Arab posts.

On February 21, the Popular Front for the Liberation of Palestine claimed responsibility for explosion in the Jerusalem Super Market in which two university students were killed and nine people mostly woman shoppers were injured.

The Front had also claimed responsibility for the attack on an El Al airliner at Zurich on February 18. The police arrested 150 Arab suspects.

On February 21, three Arab commandos were killed during a clash with an Israeli patrol south of the Golan heights near the Jordan frontier.

Two otther commandos got away during the encounter.

According to Amman reports, two Jordanian villages were shelled and bombed by Israeli forces and aircraft for 50 minutes on February 25. Israeli troops opened tank and artillery fire on the villages of al-Safi and Fifeh, south of the Dead Sea. At the same time, four Israeli fighters attacked al-Safi with rockets and machine-guns.

Jordanian forces claimed on February 27 that they had killed 13 Israeli soldiers in the first of two clashes along the Yarmouk river in the region of the occupied Syrian Heights.

On February 28, Jordanian and Israeli troops exchanged fire for 20 minutes in the al-Asassiya area, about three miles south of the Sea of Galilee.

The same day (February 28), Israeli fighter aircraft violated Jordanian air space and two Israeli planes rocket-fired Jordanian territory, according to Jordanian authorities. There were no Jordanian casualties.

On March 2, Jordanian and Israeli forces fought an artillery duel for an hour and 40 minutes in the southern Jordan valley, a Jordan Army spokesman said.

Israeli forces on the occupied west bank of the Jordan opened up with artillery fire on Jordanian forces in Karameh village, five miles north of Allenby Bridge.

Mr. L. Eshkol On Occupied Areas:

The Israeli Premier, Mr. Levi Eshkol, indicated in an interview to the US magazine "Newsweek" on February 10 that Israel might give up a substantial part of the occupied territories as part of an over-all West Asian settlement. "We are flexible on everything."

He, however, added: "As for the Golan Heights. He will quite simply never give them up. The same holds good for Jerusalem. There can be no flexibility at all on this question. As long as Golan remains a dangerous spot, we have to defend it."

Asked about Jerusalem, he answered: "There is no possible way to compromise on Jerusalem. It is the very heart of our State. The river must become a security border for Israel.

Mr. M. Riad's Note To Security Council:

In a Note to the UN Security Council on February 10, the UAR Foreign Minister Mr. Mahmoud Riad, accused Israel on February 10 of expansionist aims and said that she was trying to obtain new Arab lands.

He added that the Jewish State was acting openly against the United Nations Security Council's resolution of November 22, 1967, which called for a settlement of the West Asia crisis.

He said that a recent issue of "Newsweek" magazine had carried a statement by Mr. Levi Eshkol that the Jordan river must become the security border for Israel with all that implies (see above).

He added: "This latest statement clearly explains why Mr. Eshkol now chooses to deride the establishment of demilitarized zones."

Mr. Riad said that the Israeli Foreign Minister, Mr. Abba Eban and Defence Minister, Maj.-Gen. Moshe Dayan, had recently made similar statements concerning Israeli-occupied territories.

President G. A. Nasser Offers Five Concessions To Israel:

President G. A. Nasser, in an interview to the US magazine "Newsweek," published on February 3 said that he would give five concessions in return for an Israeli pull-back from the territory occupied during the war.

In a 2,500-word question-and-answer session with the "Newsweek" senior Editor, Mr. Arnaud de Borchgrave, he was asked what the Arab States would offer for evacuation.

President Nasser replied: (1) A declaration of non-belligerence; (2) Recognition of the right of each country to live in peace; (3) Territorial integrity of all countries in West Asia, including Israel, in recognised and secure borders; (4) Freedom of navigation on international waterways; and (5) A just solution to the Palestinian refugee problem.

President Nasser's five points echoed key sections of a Security Council resolution adopted on November 22, 1967.

He declined to say if he would be prepared to sit down with the Israelis to discuss other issues if they were to pull back as the first phase of a settlement.

He said: "I could not give you an answer about that until they pull out. Obviously, you would not sit down with a foreign Power occupying part of USA until it withdrew.

In reply to another question he said he would not agree to keep Sinai demilitarized if Israel withdrew to its pre-June 1967, boundaries. "'We could only agree to the demilitarization of areas that are astride the boundaries."

He doubted whether Israel would develop a nuclear capability soon and asserted that Egypt had no such plans.

Mr. Abba Eban On Concessions:

On February 4, Israel flatly rejected the ideas of President G. A. Nasser for a solution of the West Asian conflict as "a plan for liquidating Israel in two stages."

The first official reaction to President Nasser's interview with "Newsweek" magazine (see above) came from the Israel Foreign Minister, Mr. Abba Eban, who said:

"The solution put forward by Mr. Nasser is this—first, Israel is to withdraw to the previous armistice lines with Egyptian troops and air force re-occupying Sinai; then, with Egyptian support the so-called 'resistance fighters' will move 'to liberate their homeland'. The only new element in Mr. Nasser's proposal is the explicit statement of the intention to re-militarize Sinai and encourage terrorist groups."

He said that President Nasser utterly falsified the international policy expressed in the Security Council resolution of November 22, 1967.

Total Mobilization In UAR:

The United Arab Republic ordered total mobilization of its military potential on February 25 as the entire country was placed under an emergency to face a possible attack from Israel.

The mobilization order followed an Israeli attack on Syria on February 24 after an Israeli Cabinet meeting on February 23 indicating that Israel was preparing to strike at more than one Arab base in retaliation to the Palestine commando attack on an Israeli airliner at Zurich recently and continued commando activities against the Israeli authorities in the occupied Arab territories.

The mobilization order meant that thousands of Egyptian troops on front-lines who would have visited their families for the Bairam Feast would now hold on to their positions.

Meanwhile, all leave in defence services was cancelled and all hospitals and other services were warned to be in a state of preparedness.

British Arms Shipments To Israel—Mr. D. Healey's Statement:

The British Defence Minister, Mr. Denis Healey, said in London on February 20 that Britain had taken no decision on whether to meet requests for further arms supplies to West Asian countries.

He said: "We have supplied arms to Arabs and we have also got contracts with Israel which we intend, unlike some other Governments' to carry out. Further deliveries would be subject to a large number of considerations. We have not made a decision on further supplies of arms and we would not in any case give any details if we did take one. We never do. Our policy on supplyinb arms to West Asia must be governed by political considerations."

Meanwhile, on February 20, the UAR National Assembly denounced Britain's reported plan to supply arms to Israel on the ground that such a deal "threatens, if not sabotages, all attempts to achieve a just and peaceful settlement to the West Asian crisis."

Israeli Warning Against UAR Violations Of Cease-fire:

A Foreign Ministry spokesman warned at a news conference in Tel Aviv on February 13 that if Egypt did not end its "constant violations of the cease-fire along the Suez Canal" there would be an escalation which Israel was anxious to avoid.

He denied an Israeli press report that Israel had told Egypt that these violations would not be permitted to remain one-sided.

Arab Businessmen In East Jeruselem:

The Israeli Justice Ministry said on February 9 that Israel was delaying for three months the enforcement of the law to bring Arab businessmen in East Jerusalem under Israeli control.

The date on which Arab companies in Jerusalem must join the Israeli business register will be May 23 instead of February 23. But it denied that the move was linked to Jordan's request for a Security Council meeting.

Zurich Attack On Israeli Plane—US Note To Security Council:

On February 19, USA formally protested to the UN Security Council on February 19 against Arab terrorist attack against an Israeli airliner in Zurich on February 18 and warned that such incidents could only impede efforts to bring peace to West Asia.

The US Note said: "The concern of USA arises as well from the fact that the February 18 attack represents a continuation of the tragic cycle of violence that has come to characterize the West Asia situation and which in itself is so obstructive to the search for peace. This latest incident demonstrates once again how urgent it is that all concerned exercise restraint and prevent actions which increase tension and impede efforts toward peace."

USA also requested that the International Civil Aviation Organiation (ICAO) in Montreal take up the question "of a number of incidents growing out of the Arab-Israeli disputes and involving safety of civilian air transport".

(**The Times,** London, **The New York Times, The Times of India,** Bombay and **The Hindu,** Madras)

[Prev. ref. 8799:ISR:A]

B. Mr. Levi Eshkol Passes Away: The Prime Minister, Mr. Levi Eshkol, died in Jeruselam on February 26 after a heart attack. He was 74.

Mr. Eshskol was Israel's third Prime Minister since the State was established and the first to die in harness.

He suffered his first heart attack three weeks earlier. The fact was not published.

There was a State funeral on February 28.

The Deputy Premier, Gen. Yigal Allon (51) temporarily took oyer the Prime Ministership till the ruling party decided formally on who should be the next Prime Minister.

Shortly after the death of Mr. Eshkol was announced, the Palestine Liberation Organisation, — Al-Fatah—issued a statement in Beirut implying that it was connected with a commando rocket attack on the Premier's summer home on February 28.

An Israeli Foreign Ministry spokesman immediately denied as "ridiculous and childish fabrication" any suggestion that the Al-Fatah attack caused Mr. Eshkol's death.

The Ukraine-born Mr. Eshkol came to power in June, 1963 after the resignation of Mr. David Ben-Gurion. He led his Mapai Party to victory in the 1965 elections and held his post until death. He was Prime Minister during the lightning victory of Israel over the Arabs in June, 1967.

He came to Israel in 1913, beginning work as an agricultural labourer in what was then Palestine. In Palestine, he swiftly climbed the ladder of the Jewish labour movement, formed to compete with cheap Arab labour. He was Director-General of the Ministry of Defence when the State of Israel was proclaimed in 1948. He was later made Finance Minister and then Prime Minister — and automatically Defence Minister.

The Defence Ministry was handed to the present incumbent, Maj-Gen. Moshe Dayan, on public acclaim just before the 1967 war broke out.

He is survived by four daughters.

He had been married thrice. His first marriage to Rivka Marshak ended in divorce. His second wife, Elisheva Kaplan, died in 1959. He married the third, Miriam Zelikowitch, a former Librarian in Israel's Knesset in 1964, when he was 68 and she was 34.

(**The Times,** London and **Tel Aviv Radio**)

C. Land Bridge Project: It was stated in Jeruselem on February 14 that Israel was making efforts to expand trade with East Asia and East Africa and also to develop a "land bridge" between the Mediterranean and Red Sea across Israel as an alternative to the Suez Canal.

Israel's "land bridge", in fact, already exists, said the Transport Minister, Mr. Moshe Carmel, in Haifa, now moving some 500 tons of cargo every month. The bridge had aroused great interest abroad and was likely to develop on a large scale.

Israel, he added, had ordered four super-tankers of 230,000 tons each and one tanker of 120,000 tons. These would ply on the Red Sea, run along the Gulf of Aqaba to Eilat Port, hauling oil from eastern suppliers.

(**Jeruselem Post**)

[Prev. ref. 7576:ISR:A, 7911:ISR:C]

PAKISTAN

A. Mounting Opposition To F-M Ayub Khan—Demonstrations And Political Developments: Students armed with hockey sticks and slingshots fought a two-hour pitched battle with the riot police on the campus of Dacca University on January 18.

The students were trying to march in procession—in defiance of a ban on public meetings — to condemn police action during political demonstrations against President Ayub Khan. Six students got minor injuries and two were arrested.

All Opposition members of the East Pakistan Assembly staged a walk-out on January 18 in protest against the disallowance of an adjournment motion on the incident in the wake of the protest day in Dacca on January 17 on the ground that the matter was sub-**judice**.

On January 21, student agitators were fired upon by the police at two places in Pakistan and at least 30 students were injured in Dacca and six in Rawalpindi.

Police lathi-charged and tear-gassed anti-Ayub student demonstrators in Rawalpindi and Hyderabad (Sind) on January 22.

Four persons were killed and 15 injured when police fired on anti-Ayub demonstrators in Dacca where life was paralysed by a **hartal** on

January 24. A 24-hour curfew was imposed.

Earlier, the army was called out to help the civil authorities when several buildings were set on fire.

The call for the **hartal** had been given by the Democratic Action Committee of eight Opposition parties.

On January 25, two persons were killed and 30 injured in East Pakistan in various police-student clashes on the second day of the Anti-Ayub agitation.

Curfew was imposed in Karachi and Khulna, while it was extended by 24 hours in Dacca, Narayanganj and neighbouring areas in Sudhirganj, Dimrao and Bunder.

All domestic flights of the Pakistan International Airlines were cancelled on January 25 except two to Chittagong and one flight each to Chittagong, Cox's Bazar, Dacca Jessore and Dacca-Sylhet.

On January 26, three persons were shot dead and seven received bullet injuries in Narayanganj in East Pakistan when they came out in violation of the curfew order.

Unconfirmed reports reaching Karachi said that two people were killed and 12 injured when troops opened fire on curfew-breakers in the riot-torn East Pakistan capital of Dacca on January 25.

The death toll from anti-Government violence since January 24 was said to be at least 15.

The West Pakistan Governor, Gen. Mohammed Musa, declared in a broadcast on January 27 that the West Pakitan Government would put down what he called "anti-social elements with a heavy hand and "let there be no mistake about it."

He said: "If so far as no action has been taken against such elements they should not be under the delusion that in future too they could do what they wanted freely."

He added that violence did not do anybody any good but only meant "tarnishing the image of the country."

On January 27, troops were called out in Karachi and Lahore, the two major cities of West Pakistan, following a fresh outbreak of street violence. In Lahore, four persons were killed and several injured when the police fired on demonstrators who set fire to the offices of the pro-Government newspaper, **Kohistan.**

Both the cities were put under curfew. A 48-hour curfew was clamped on the riot-torn areas of Liaqatabad, Nizamabad and Gilimar in Karachi. In Lahore a 24-hour curfew was enforced.

Truck-loads of armed soldiers moved into the two towns to help civic authorities in restoring order. In Karachi, 700 arrests were made:

Troops had already been called out in the East Pakistan capital of Dacca, where security forces had fired on some 4,000 people defying the curfew on January 26.

On January 28, the fifth day of country-wide anti-Government violence, the police at Peshawar clashed with student demonstrators in which at least 24 people died. The authorities said that troops had been called out to enforce a 30-day ban on all public gatherings. All schools and colleges in Peshwar and five other north-western towns were closed indefinitely.

On January 29, the police fired on anti-Government demonstrators in East Pakistan, and Dera Ismail Khan, in West Pakistan.

Over 1,000 left-wing Opposition leaders, including the 82-year-old pro-Peking Awami Party leader, Maulana Abdul Hamid Bhashani, were arrested in East Pakistan in an attempt to head off more violent anti-Government demonstrations on January 31.

Despite President Ayub Khan's offer on February 1 to hold talks with "responsible" political parties to solve the political crisis in Pakistan, anti-Government demonstrations were reported from many cities and towns in both wings of the country on February 2.

About 1,500 demonstrators clashed with the police in Rawalpindi after a protest march during which they demanded restoration of democracy.

Dusk-to-dawn curfew continued to be in force in Lahore, Gujaranwala, Sialkot and parts of Karachi. In Sialkot, the police fired tear-gas shells and made a lathi-charge to disperse demonstrators.

More than 1,700 people were arrested.

The police charged with steel-tipped staves several times in Lahore on February 12 as thousands of students tried to march on the house of the West Pakistan Governor, Mr. Mohammad Musa, where President Ayub Khan was conferring with him on the political troubles. Six students were injured.

More than 15,000 students had Lahore's fashionable Mall Road area under their control, directing all traffic. They chanted "Bhutto is our President" and demanded democratic and educational reforms.

A new blow was struck against the Government on February 13 with the resignation from the National Assembly of three Left-wing National Awami Party members in protest against what they called the oppressive policies of F—M Ayub Khan.

It was the first bloc resignation from the Pakistani Assembly to protest against the Government.

The three who resigned were Mr. Masthur Rahman, Mr. Mujibur Rahman and Mian Arif Iftikhar, who acted on the orders of the 83-year-old Maulana A. H. Bhashani, chief of the pro-Peking faction of the National Awami Party.

An NAP spokesman said that the party refused any compromise as long as its leader, Khan Abdul Wali Khan, detained in Peshwar since December 13, 1968 remained in prison.

A Radio Pakistan broadcast on February 13 said that a large number of railway workers demonstrated to press for better wages and improved service conditions as they marched through the city.

Labour unions also took out processions in response to a call by the West Pakistan Federation of Trade Unions. Processions were also taken out by engineers, students of the University of Engineering and Technology and by teachers of non-Government colleges.

Women also took out a procession in response to a call by the Demoncratic Women's Committee.

Doctors throughout West Pakistan observed a general strike on February 13 to press their demand for higher status. They held demonstrations in a number of cities.

A general strike called by the Democratic Action Committee (DAC) for February 14 touched off a fresh wave of violence necessitating calling out of troops in at least two cities of Pakistan. The Government released some top political leaders, including the former Foreign Minister, Mr. Z. A. Bhutto, and announced that the Emergency would end on February 17.

Withdrawal of the Emergency and release of political prisoners had been the pre-conditions set by the DAC for acceptance of President Ayub Khan's offer of talks on constitutional reforms.

Mr. Ayub Khan had earlier set February 17 for talks between himself and the DAC convener, Nawabzada Nasrullah Khan. The announcement that the state of Emergency would end on that day was made by the Law Minister, Mr. S. M. Zafar, in Islamabad on February 14.

Two persons were killed in police firing in Lahore and another two in a "shooting incident" in the Golimar-Lasbella area in Karachi.

Demonstrators clashed with police in Karachi, Lahore and Hyderabad, and two newspaper offices, a shoe market, a glass factory and several shops and restaurants were set on fire.

In the Eastern Wing of Pakistan, the strike was stated to have been complete and rail and air services there were suspended.

One person was killed and 15 were injured in police firing in Dacca on February 16 where the Army had been called out to control a violent demonstration. A 12-hour curfew was imposed in Dacca.

The mob violence occurred when some persons in the funeral procession of Sergeant Zurul Haq, an accused in the Dacca conspiracy case, who died on February 15 "indulged in arson" and set fire to a provincial Minister's residence. A sentary at the Minister's residence had fired on the mob.

Troops and armed police patrolled the streets of Karachi on February 18 following clashes on February 17 between the supporters and opponents of Presiden' Ayub Khan's **regime** during which five people were killed.

This raised the death toll to 50 since Pakistan's political upheaval began in mid-January.

On February 19, rioters clashed violently with troops in defiance of the curfew in Dacca and four people were killed and 35 injured, according to hospital sources.

Three persons were reported to have died in demonstrations in East Pakistan on February 18—one in Dacca and two in Rajshasi. Nine persons were wounded when troops fired in Dacca on February 18 after demonstrators surged into the streets shouting anti-Ayub slogans.

Three persons were killed and several others injured when the police fired on an unruly mob in East Pakistan on February 18.

On February 21, three persons were killed in Police firing and a policeman was beaten to death by a mob in Khulna in East Pakistan. At least 20 people and five policemen were wounded, one seriously.

The clash occurred after part of a 20,000-strong crowd had set fire to the house of a Minister, Khan A. Sabur, and stopped fire engines from reaching the place. A 30-hour curfew has been imposed in the city.

People in East Pakistan observed Martyrs' Day on February 21 in memory of those killed in the 1952 agitation for parity of status for Bengali with Urdu. The Government withdrew curfew and prohibitory orders to enable people to observe the day.

For the first time, Martyrs' Day was officially observed as a holiday.

The death toll in the rioting in Khulna on February 21 when a mob beat to death a policeman and set fire to a Minister's house reached nine when four people wounded by police and army bullets died in hospital.

On February 22, five persons were wounded when the police fired on anti-Government demonstrators in Khulna in East Pakistan, for the second time in two days.

Mr. Z. A. Bhutto's Affidavit In Court:

In the affidavit which the former Foreign Minister of Pakistan, Mr. Zulficar Ali Bhutto filed in the West Pakistan High Court on February 5 in support of his writ petition challenging his detention under the Defence of Pakistan Rules, he stated that he was subjected to "grotesque harassment" for two reasons:

(1) To restrain him from making a political issue of the cease-fire with India (of September 1965) and the Tashkent Declaration; and

(2) To get a categorical assurance from him that he would not contest the Presidential election in 1970.

He said that President Ayub Khan had offered him the post of ambassador in Paris or any other place of his choice "on specially worked-out terms", but he declined it.

The President, according to him, made various other offers to him and, "to make things perfectly clear, he proceeded to tell me that I should remember that if I incurred his enmity, he would "follow me to the grave."

Mr. Bhutto said that various emissaries, including the President's eldest son, Mr. Akhtar Ayub, were sent to him in an effort to persuade him (Mr. Bhutto) to give up his intention to contest the Presidential election in 1970.

President Ayub Khan's Denial Of Allegations:

In a statement read by Attorney-General, Mr. Sharifuddin Pirzada, to a two-man High Court Tribunal hearing Mr. Z. A. Bhutto's petition for release from prison. President Ayub Khan vehemently denied on February 6 that he had ever tried to force the imprisoned former Foreign Minister, Mr. Z. A. Bhutto, into staying out of politics after leaving the Government in 1966.

He said: "I did not at any time authorize any person to approach him on my behalf to dissuade him in any manner from entering politics or contesting the presidential elections.

"On the contrary, on his departure from the Cabinet I wished him well."

Mr. Ayub Khan said in his statement, however: "In the affidavit, certain statements have been ascribed to me. These are absolutely incorrect, erroneous and misleading. The insinuations, allegations, threats and warnings are figments of Mr. Bhutto's imagination."

The Attorney-General also read out a statement from West Pakistan Governor Gen. Mohammad Musa, denying Mr. Bhutto's allegation that the Governor had advised him to avoid speaking about the controversial Tashkent Declaration, signed in January, 1966 by Mr. Ayub Khan and the late Indian Prime Minister, Mr. Lal Bahadur Shastri.

Mr. Bhutto's criticism of the Tashkent Declaration led to his departure from the Cabinet.

High Court Orders Mr. Bhutto's Release:

The West Pakistan High Court ordered the Government on February 10 to release the former Foreign Minister, Mr. Z. A. Bhutto, from jail and take him to Larkana, his home town, to be kept in custody at his house.

Mr. Z. A. Bhutto's Fast & Release:

On February 14, Mr. Z. A. Bhutto began a fast despite the Government announcement of ending the State of Emergency on February 17 and planned to continue it until the Emergency was actually lifted

A spokesman from Larkana said that several of Mr. Bhutto's supporters were also fasting.

A Government official went to his residence to give Mr. Bhutto word of his release, but he refused to see him.

The official then relayed his message through a friend of Mr. Bhutto to him.

Mr. Bhutto's release from custody came exactly three months and one day after he was jailed on charges of inciting the Pakistani masses to violence.

Attempt On Mr. Z. A. Bhutto's Life:

On February 15, supporters of Pakistan's former Foreign Minister, Mr. Zulficar Ali Bhutto, grabbed a would-be assassin as he whipped out a pistol and took aim at Mr. Bhutto.

Mr. Mustafa Khar, a member of the National Assembly and a close friend of Mr. Bhutto, said that the attempt took place as Mr. Bhutto was leading a procession in his honour in Larkana.

Mr. Khar said that the gunman pulled out a pistol and pointed it at Mr. Bhutto from only five yards. "As soon as the crowd noticed the pistol it was yanked from the man's hands and he was beaten until Mr. Bhutto came to his rescue."

"This is not the first time an attempt has been made on my life," Mr. Khar quoted Mr. Bhutto as saying.

Mr. Z. A Bhutto On His Policies:

In an interview on February 25, Mr. Z. A. Bhutto said that his unpopularity in Britain was because of his attitude towards Kashmir and his attack on Britain's East of Suez policy.

He said: "I was not prepared to take a soft line on Kashmir. Britain had a short-sighted, unrealistic policy then. This is a question which can only be settled between India and Pakistan and the Kashmir people, without outside interference. I notice that Mr. Michael Stewart now appears to advocate the same policy.

"It's time India put the lollypop out of her mouth. If she feels hemmed in by Pakistan and China, why doesn't she resolve her disputes with either of her neighbours?"

He did not advocate armed conflict with India. "When I said we will not rest, I meant we will defend the principle of Kashmir's self-determination without compromising ourselves. Sooner or later, India will see the reality of the 1970's when the struggle will come from the Kashmiri people themselves.

"In all good faith, I don't want trouble with India. But there is an awakening among the people of Kashmir. They have seen what has happened in other parts of world and they are now for an Algerian type liberation war. Sheikh Md. Abdulla, with all due respect to him, is getting on in years. A new leadership is coming up in Kashmir and the youth is on the march".

He said he would continue President Ayub Khan's policy of bilateral ties with Peking, Washington and Moscow. "In fact, I am the author of bilaterialism. President Ayub Khan had only followed it in principle by remaining in CENTO and S-EATO".

Regarding internal policies, he was less explicit, but alleged that the Ayub regime had allowed free enterprise "to run away in the Jesse James style". He would nationalize heavy industries, banks, insurance and petroleum, but would not chase out foreign capital. "What we went is a Scandinavian type of socialism in Asian terms".

Mr. Bhutto said the second reason for his unpopularity in Britain was the view that sooner or later Britain would have to return to Europe. "I was punished in Britain for having powers of anticipation".

Mr. Z.A. Bhutto Denies Pro-Peking Leanings:

Mr. Z. A. Bhutto said on February 25 that "President Ayub Khan should make a declaration that he is prepared to step aside and negotiate an orderly transfer of power."

"This," he said, "would contribute to an easing of tension and save the country, going through the most serious crisis in its 21 years, from further trouble. If he (Ayub Khan) holds on to power, heaven knows what will happen."

He rejected the "pro-Peking" label frequently applied to him, but admitted that Pakistan's detente with China in 1963 had come about while he was Foreign Minister.

On Pakistan's friendship with China, he said: "The extent of our dependence on the United States in those days was really frightening. I wanted diversification. We had closer relations with East European countries. We still have close relations with China in all fields and these will be maintained under a new Government here."

While he described Mr. Mao Tse-tung as "like granite" he termed President Richard Nixon as a "very competent and efficient man."

According to **Radio Pakistan,** Mr. Bhutto has renounced his title of Hilal-e-Pakistan Nishan in deference to the wishes of the All-Party Students' Action Committee.

Mr. Z. A. Bhutto Promises Reforms:

In a major policy speech to his supporters at an open-air rally in Lahore on February 25, Mr. Z. A. Bhutto promised sweeping economic reforms, including nationalization of key industries if his Leftist People's Party comes to power, ridiculed other Opposition leaders and kept up a hardline policy towards the settlement of the Kashmir dispute with India.

Commenting on President Ayub Khan's decision not to seek re-election, Mr. Bhutto said: "An elephant has been roaming about the jungle. Now that the elephant has been wounded, small animals have come out into the open to claim they wounded him".

President Ayub Khan Invites Leaders For Talks:

On February 5, President Ayub Khan invited Opposition party leaders to meet him in Rawalpindi on February 17 to discuss their demands and review the political situation.

The invitation was contained in a letter addressed to the Democratic Action Committee's convener, Nawabzada Nasrullah Khan.

The previous day (February 4), the Pakistan Government withdrew two Bills to amend the electoral laws at a National Assembly meeting in Dacca in advance of talks President Ayub Khan had proposed with Opposition parties on constitutional reform.

The Opposition wants direct adult franchise instead of the President's system of indirect ballots for the Presidency and the National Assembly which, it says, is geared to keep him in power always.

Bowing to the Democratic Action Committee's (DAC) demand, President Ayub Khan agreed on February 16 to the inclusion of Sheikh Mujibur Rahman—principal accused in the Dacca conspiracy case—in the political talks on the country's future set-up to which the DAC has agreed.

At the end of two-day deliberations in Lahore, the DAC issued a statement that its conditions for talks with President Ayub Khan had not only been fulfilled basically by the Government "but the Government has also agreed that the East Pakistan Awami League President will be brought to attend the talks."

The DAC suggested that the talks should take place on February 19 instead of on February 17 as originally proposed by President Ayub Khan.

A Radio Pakistan broadcast quoted the DAC statement as saying: "Keeping in view the steps taken by the Government towards the fulfilment of the DAC demands—lifting of emergency, release of political detenus and restoration of civil liberties—the DAC has agreed to take part in the conference proposed by President Ayub Khan."

On February 18, the eight-party Democratic Action Committee (DAC) of Opposition parties in Pakistan announced the terms under which it would be prepared to help President Ayub Khan settle the country's political crisis.

The terms include election by a popular vote of the President and members of the Central and Provincial Parliaments together with a Federal form of Government.

The Committee also seeks freedom of the Press, supremacy of the legislature, and separation of the executive and the judiciary.

The twice-postponed Round Table Conference called by President Ayub Khan to discuss Pakistan's future political set-up with the Opposition leaders opened in Rawalpindi on February 19. But, after 35 minutes, it adjourned to meet again on March 10.

State Of Emergency Lifted:

According to a Presidential proclamation issued in Rawalpindi on February 16, the State of Emergency was revoked from midnight on February 16.

A Radio Pakistan broadcast quoted the Presidential Order as saying: "The President is satisfied that the grounds on which he had issued a proclamation for the State of Emergency in the country in September, 1965 have ceased to exist."

Political Prisoners Released:

The West Pakistan Government released on February 14 Mr. Z. A. Bhutto, who was under house arrest in his village after the High Court had ordered his release, Khan Abdul Wali Khan, son of Khan Abdul Ghaffar Khan, and Mr. Ajmal Khattak in view of the Government's decision to lift the State of Emergency from February 27.

The Provincial Government also ordered the release of all persons detained under the Defence of Pakistan Rules.

The Government's decision was announced while the country was in the grip of a general strike, the latest move in a mounting campaign by President Ayub Khan's opponents for constitutional reforms.

Six Ordinances:

But, on February 17, the Pakistan Government armed itself with six Ordinances which effectively maintained part of its Emergency powers simultaneously with the lifting of the 41-month State of Emergency at midnight on February 16.

[The ending of the Emergency means the release of prisoners held under the Pakistan Defence Rules. It also means the closure of the eight-month-old trial by a Special Tribunal of the East Pakistan Opposition leader, Sheikh Mujibur Rahman, and 33 other people accused of secessionist activities. However, the men will still be liable to civil court proceedings.]

The six Ordinances promulgated by the Government were: (1) War risks insurance giving protection against war damage; (2) Enemy property, permitting the Government to maintain control of Indian property seized since September 1953; (3) Requisitioned lands, allowing the Government to keep taken-over buildings and to hold others in future if necessary; (4) Employment control, forcing employers to take back conscripts; (5) Essential commodities, allowing Government control of necessary production; and (6) Patents and designs.

Dacca Conspiracy Case Withdrawn:

President Ayub Khan yielded all the way to the Opposition with the withdrawal on February 22 of the Dacca Conspiracy Case.

The Government's decision to drop the conspiracy case and release all the 34 accused was announced by the Home Minister, Vice-Admiral A. R. Khan, in Dacca after he and Khwaja Shahabuddin (Information Minister) had met Sheikh Mujibur Rahman.

According to a Press Note issued in Dacca, the conspiracy case had been withdrawn and all accused released as the Ordinance under which a Special Tribunal was constituted to try the case stood repealed with the ending of the State of Emergency and restoration of fundamental rights.

The so-called Agartala Conspiracy Case arose out of the arrest of 28 people including some junior army officers in January, 1968 for allegedly trying to bring about the cession of East Pakistan.

The Pakistan Home Ministry, while announcing the arrests, had said that some of the arrested persons had visited Agartala to discuss their plans and that some of them were in touch with Mr. P. N. Ojha, First Secretary of the Indian Deputy High Commission in Dacca.

The Pakistan Government had also expelled Mr. Ojha from Dacca on the charge of giving money to Pakistani nationals and assisting them to leave East Pakistan.

The Indian Government, in a strongly-worded Note to Pakistan, had rejected as "false" the allegations against Mr. Ojha.

Air-Marshal Ashgar Khan Returns Decorations:

One of President Ayub Khan's chief opponents, 47-year-old retired Air Marshal Ashgar Khan returned two of his country's highest decorations back to the President on January 29.

In a letter to the Secretary of the Cabinet, Mr. M. H. Sufi, the former Commander of the Pakistan Air Force said he had done so "as a token of my disgust and disapproval of the uncivilized conduct of the Government".

(**The Times**, London, **The New York Times**, **Radio Pakistan**, **The Times of India**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 8755:PAK:D, 8779:PAK A]

SPORT

A, National Lawn Tennis Championship: Nastase, of Rumania, won the men's singles title of the National Lawn Tennis Championship in New Delhi on January 13, defeating the holder, Premjit Lal 6-4, 6-2, 4-6, 6-4.

The women's title was claimed by Rumania's Miss Dibar who beat Mrs. W. A. Tym of USA in straight sets at 6-2, 6-1.

Nastase and Mamureanu of Rumania won the men's doubles title, beating Premjit Lall and Jaideep Mukherjea 4-6, 6-3, 6-3, 7-9, 6-3.

(**The Stateman**, New Delhi)

B. Hard Court Tennis Championship: In Madras on January 5, Nastase of Rumania became the National Hard Court Tennis singles champion, defeating P. Lall by three sets to one, 4-6, 6-2, 6-3, 7-5.

Mrs. Tym of the United States won the women's singles title, defeating Miss Judith Dibar of Rumania 4-6, 6-2, 6-3.

The women's doubles title was shared by Mrs. Tym and Miss Judith Dibar with Miss Nirupama Vasant and Miss Kiran Peshwaria as the match had to be abandoned due to failing light. At this time, the former pair had taken the first set at 7-5 and were trailing in the second by 1-2.

Anand Amritraj, who beat V. Abraham 6-1, 6-1 in the semi-final, scored an easy victory over Sasi Menon to get the junior title. He won 6-2, 6-1.

(**The Times of India**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 6942:SPO:A and C]

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INDIA

SUMMARY: Mr. K. Holyoake's Visit; Dr. Adam Malik's Visit; Sardar Swaran Singh On Pakistan's Military Build-up; Dalai Lama's Message; United Front Ministry In West Bengal.

A. Mr. K. Holyoake's Visit: The Prime Minister of New Zealand, Mr. Keith Holyoake, accompanied by Mrs. Holyoake, arrived in New Delhi on January 28. They were welcomed at Palam airport by the Prime Minister, Mrs. Indira Gandhi, and her Cabinet colleagues.

Later in the day (January 28), the two Prime Ministers exchanged views on a number of political issues and on the prospects for strengthening bilateral relations specially in trade between the two countries.

At a dinner given in his honour by Mrs. Indira Gandhi, Mr. Holyoake spoke of the Asian-Pacific region desperately in need of peace and stability to ensure social and economic development and looked forward to co-operating with India in promoting social and economic progress throughout the Asian-Pacific region.

The Communique:

He left Bombay on January 31 for Karachi.

In a joint **communique** issued at at the conclusion of their talks, the two Prime Ministers expressed anxiety at the situation in West Asia hoping that peace would be achieved there in accordance with the UN Security Council resolution of November 22, 1967.

It said that India would send a trade delegation headed by the Chairman of the State Trading Corporation of India to work out a list of commodities that could be exchanged between the two countries.

The two Prime Ministers further re-iterated their faith in the Charter of the United Nations and agreed that all nations must respect the national sovereignty and territorial integrity of other States and that all disputes between nations should be settled through peaceful means.

[This was Mr. Holyoake's second visit to India, the first being 12 years ago. Mrs. Indira Gandhi had visited New Zealand on May 27, 1968 when, through the joint **communique,** she indicated expansion of trade and increasing collaboration in economic, technical and scientific fields to strengthen friendly relations between the two countries.]

(The Hindustan Times, New Delhi)

[Prev. ref. 8435:INI:B]

B. Dr. Adam Malik's Visit: The Indonesian Foreign Minister, Dr. Adam Malik, who arrived in New Delhi on a four-day visit on February 21, told a news conference on February 22 that his Government had "invited India to contribute to the implementation of the Five-Year Plan of Indonesia not only in the form of direct investment but also in the shape of joint ventures."

He added that though some Indian business interests had withdrawn from his country, a fairly large number still remained in Indonesia.

Explaining the broad outlines of Indonesia's First Five-Year Plan just formulated, he said that the emphasis during the period would be on development of agriculture and creation of an infra-structure such as a net-work of transport and communications.

He rejected the idea of a joint Indian-Indonesian front against China. He did not think that the stage had arrived for such a front. He did not regard China as an enemy. What Indonesia did not like about China was the latter's interference in the internal affairs of his country. In India, he had gathered the impression that India also was desirous of good neighbourly relations with China.

Indonesia, he said, could not play the role of a defender and protector of South-East Asia consequent upon the possible withdrawal of American forces from Viet-Nam. But he felt that co-operation among the nations of South-East Asia might be needed so that they might be strong enough, "to cope with any effort by any country to interfere in or divide us in South-East Asia.

He added: "I do not think that the British pull-out of South-East Asia by 1971 would expose the region to any great danger. With the passage of time these countries will become more mature and, in the end, will be able to defend themselves."

He was asked whether the Soviet Union might try to "fill the vacuum," and he replied: "We do not like to look at the situation in this light. It is our opinion that the presence of foreign troops in any area is not conducive to the well-being of the countries concerned."

Dr. Malik said that though the Communist Party was banned in Indonesia, the Indonesian Government was not against the communist ideology as such.

A joint **communique** issued at the conclusion of Dr. Malik's official four-day visit to this country, on February 24 said the two sides had agreed that further discussion should take place between India and Indonesia "to identify areas of economic co-operation including commodity arrangements and to undertake studies in specific aspects of trade promotion and related matters."

The Indian Foreign Minister, Mr. Dinesh Singh, and Dr. Malik, it said, re-iterated the need for greater international effort towards solving the problems of economic growth in the developing countries and bridging the widening gap between the developed and developing nations.

In this context, they expressed concern at the failure of the developed countries to respond in adequate measure to the needs of the developing countries and hoped that continued and determined efforts would be made to achieve the aims and objectives of the second UNCTAD.

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 7571:INI:B]

C. Mr. Swaran Singh On Pakistan's Military Build-up: The Defence Minister, Mr. Swaran Singh, told Parliament on February 19 that since 1965 Pakistan had acquired military equipment valued at well over $700 million from various countries.

But Pakistan's principal source of supply, he said, was still China, although it had obtained substantial quantities of electronic equipment, anti-tank missiles, ammunition and spares from other countries.

He had stated on November 13, 1968 that China had supplied Pakistan complete equipment for two infantry divisions, about 250 tanks, 120 MIG aircraft and two squadrons of IL-28 bombers. China had also given a large number of artillery pieces and military vehicles, besides substantial quantities of ammunition and aircraft spares for the tanks and aircraft. This massive Chinese military aid had enabled Pakistan to virtually double its land forces which now included two armoured divisions.

Mr. Swaran Singh, however, assured Parliament that India had taken suitable steps to augment the strength of its armed forces to meet any possible threat from Pakistan, But it was not in the national interest to disclose details of the equipment acquired by India or its sources.

(**The Times of India,** New Delhi)

[Prev. ref. 8240:INI:F, 8493:INI:D]

D. **Two New Destroyers For Navy:** Two new destroyers joined the Indian Navy during February. They were named **Kamorta** and **Kadmath** after islands of the same names.

The acquisition of these vessels with up-to-date gunnery, anti-submarine weapons and the latest submarine detection devices, marks a further stage in the programme, launched two years ago, of strengthening and modernisation of this arm of India's defence services.

Before the arrival of these two destroyers, the Indian Navy had six vessels of this category, three R class—**Rajput, Rana** and **Ranjit**—and three **Hunt** class escort destroyers—**Godavari, Gomati** and **Ganga**. All these are over 27 years old, which is well over the normal life span of a warship, which is 20 years.

(**The Statesman,** New Delhi)

[Prev. ref. 8746:INI:W]

E. **Trade Talks With Thailand:** At the conclusion of trade talks in New Delhi between India and Thailand, a joint **communique** was issued on February 23 identifying some of the commodities and items where a potential existed for expansion of trade between the two countries.

It was recognized that India would increasingly be in a position to export to Thailand a wide range of manufactured products including machinery and machine tools, rails and rail track accessories, transmission lines including towers, aluminium conductors, insulators and line accessories, telecommunication equipment and structural steel.

Similarly, Thailand was interested in the export of rice, kenaf (mesta), tin, antimony and flourspar. The two countries could also co-operate in matters relating to production and marketing of seedlac and shellac.

The **communique** stated that the exploitation of this potential would require closer co-operation between the two countries. The attempt should be to seek not only to strengthen the existing patterns, but also evolve new ones.

(**The Times of India,** New Delhi)

[Prev. ref. 8613:INI:A]

F. **Indo-French Consultative Talks:** Hope of increased co-operation between India and France "in many diverse directions and new fields of fruitful collaboration" was expressed in a joint **communique** issued in New Delhi on March 7 at the end of the two-day consultative talks between the two countries.

It said: "It was gratifying to observe the remarkable identity of views between them on major international problems."

It was agreed that these consultations should be held regularly every year.

The next talks will be held in Paris.

Technical co-operation and cultural exchange were among the main subjects discussed. It was decided to work out plans to train Indians in France in various fields. such as administration, industrial production, education, television, cinema, theatre and music.

(**The Times of India,** New Delhi)

[Prev. ref. 7156:INI:L, 8605:INI:F]

G. **Credit From Italy:** An Agreement was signed in New Delhi on March 10 under which Italy agreed to provide India with a credit of $5.5 million (Rs. 4.13 crores).

The sum represents Italy's share of debt relief, pledged by it at the last Aid-India Consortium meeting.

The credit is repayable over 12 years with a grace period of three years. It will carry an interest rate, including credit insurance, of four per cent.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6448:INI:A]

H. **Tri-lateral Trade Deal With Tunisia & Bulgaria:** India has concluded a tri-lateral trade deal with Tunisia and Bulgaria in a bid to give a new dimension to the concept of rupee trade.

Under the deal, India will supply tea and other commodities to Tunisia, which will in turn export phosphate to Bulgaria against Bulgarian exports of urea to India.

The contract, valued at Rs. 3.4 crores, was concluded by the State Trading Corporation with commercial organizations of Tunisia and Bulgaria.

The supply of urea from Bulgaria under this deal will be over and above the normal supplies to be made by that country under the annual trade plan for 1969.

Payment among the three countries will be in non-convertible rupees.

(**The Times of India,** New Delhi)

[Prev. ref. 8026:INI:C, 8473:INI:L, 8791:INI:B]

I. **Tibetan Uprising Anniversary —Dalai Lama's Message:** The Dalai Lama called upon Tibetans living within and outside the plateau on March 10 to re-dedicate themselves to the task of securing a free Tibet governed by Tibetans themselves.

Addressing a mass rally of Tibetan exiles held in Dharmsala (India) to observe the tenth anniversary of the Tibetan uprising against Chinese occupation, he reminded them that no imperial power had succeeded for all time to keep other people in subjugation for long.

He said that even if the Chinese left nothing but ashes in the sacred land, Tibet would rise from these ashes as a free country even if it took a long time to do so. It would be for the people of Tibet to decide what form of Government they would have. The system of governance by the line of the Dalai Lama might or might not be there. But the will of the people would ultimately determine the future of Tibet.

Indian Leaders Demand Recognition Of Tibet:

On March 9, Members of Parliament belonging to different non-communist parties issued a statement demanding the recognition of the political status of the Dalai Lama "as the lawful spiritual and temporal ruler of Tibet whether within or without that country."

The statement issued on the eve of the 10th anniversary of the Tibetan uprising was signed by Mr. Jaya Prakash Narayan, Mr. Atal Bihari Vajpayee (Jan Sangh), Mr. S. M. Joshi (SSP), Mr. N. G. Ranga (Swatantra), Mr. Nath Pai (PSP), Rev. Kushak Bakula, Mr. C . D. Pande, Mr. T. N. Singh and Mr. Prem Chand Verma (Cong). Among the other signatories were Mr. N. C. Chatterji, Mr. B. P. Mandal of the BKD and Mr. Frank Anthony.

Criticizing the Government of India for having recognized the suzerain rights of China in Tibet in the past, the statement said that this grievous blunder had not only resulted in the enslavement of Tibet but had also caused great damage to India's security as the events of 1962 had proved. Independent Tibet was vital not only to India but also to the Soviet Republic of Central Asia, of Mongolia, Pakistan, Nepal, Bhutan, Sikkim and Burma. The convergence of the national interests of so many countries provided India with a rich scope for diplomatic initiative and manoeuvre in formulating the country's foreign policy.

This apart, they felt that many more nations would be ready to take a second look at the question of Tibet if only India gave the lead because of the requirements of the balance of power in Eurasia and the world.

(**The Times of India** and **The Statesman,** New Delhi)

[Prev. ref. 7003:CHI:C]

J. **Tarapore Nuclear Power Station Goes "Critical":** India moved closer to commercial production of atomic power when the second reactor of her first nuclear power station at Tarapore, about 100 miles from Bombay, went "critical" on February 27 at the end of two days of fuel loading operations. Criticality was achieved at 11-51 p.m.

The achievement came in less than four weeks after the first of the two reactors became "critical" on February 1.

The station is scheduled to begin trial production of power in May, 1969 and commercial operation in July, 1969, the beneficiaries being Maharashtra and Gujarat.

When the plant goes into full production in July, or possibly earlier, it will generate 380,000 kw of power relieving the power scarcity, particularly in Bombay, where a power cut is in force from November, 1968.

The US Government has given a loan of $75 million for the import of essential equipment for the Tarapore project. The US Atomic Energy Commission provided enriched uranium worth $15 million for the initial fuel load of the reactors. The fuel was supplied on a long-term deferred payment basis.

(**The Times of India,** Bombay)

[Prev. ref. 8292:INI:E]

K. **Hostile Nagas Killed In Upper Burma:** According to reports reaching Imphal on February 20, Burmese troops killed 45 China-trained Naga hostiles in three fierce gun battles in January in upper Burma.

The troops also captured large quantities of Chinese arms and ammunition, including automatic weapons.

The reports said that over 1,000 China-trained Naga hostiles, who were now camping near the dense jungles of upper Burma under "general" Mowu Angami, commander-in-chief, "federal Naga army", were trying to return to Nagaland through Manipur. These hostiles, who were now associated with the "Kachin Insurgent Army" (KIA), had resorted to looting and forcible collection of rations in the local Kachin areas. As a result, hundreds of Burmese refugees from Kachin had taken shelter in Myitkyina and further south

(**The Statesman,** Calcutta)

[Prev. ref. 8470:INI:D]

L. **Censure Motion In Lok Sabha Lost:** The Lok Sabha rejected on February 20 the Communist-SSP censure motion against the Government with a decisive 213-83 vote, with the Swatantra group abstaining.

The vote came shortly after the Prime Minister's call to all political parties to try to find a common answer to the triple threats of caste, community and region.

The censure motion, as its mover Mr. P. Ramamurthi, had predicted on the opening day (February 18), was foredoomed to failure. But the motion was able to gain the support of the Jana Sangh, DMK and P-SP groups who had refrained from being counted in its favour at the admission stage.

Intervening in the debate on February 20, (which was spread over three days), the Prime Minister, Mrs. Indira Gandhi, sought the co-operation of all parties in putting down the trend towards regionalism. The Government, she assured, would play its part, but the problem would also have to be dealt with at the political level by the joint endeavour of all parties.

Every solution to outstanding regional problems she said, would always leave an element of dissatisfaction, and every such element she knew also was likely to be exploited by one party or the other. It was against this background that she felt called upon to ask all parties to refrain from exploiting regional or other similar issues for party advantage.

In this context, she assured the Chief Ministers of non-Congress States of the Centre's readiness to help them. But co-operation, she added, could not be had unilaterally. "We do expect some co-operation from the State Governments also on matters which concern not only the Governments but on matters which have repercussions in other parts of the country."

Mr. P. Ramamurthi who moved the censure motion, in his reply, said he was not convinced by what the Prime Minister said. He repeated his charge that the Congress Party had encouraged the Shiv Sena in Bombay. He was also not impressed by Mrs. Gandhi's reference to the steps being taken to mitigate the hardships of the people of Telengana.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8515:INI:A]

M. **Diplomatic Appointments:** It was announced on February 28 that Mr. Shantilal Vithalbhai Patel, Ambassador of India (designate) to Brazil would be concurrently accredited as Ambassador to Venezuela with residence at Rio de Janeiro.

It was announced in New Delhi on March 5 that Mr. Lakshmi Narayan Ray, India's High Commissioner-designate to Trinidad and Tobago, would be concurrently accredited as High Commissioner to Jamaica with residence at Port of Spain.

Mr. K. C. Nair, Joint Secretary in the Ministry of External Affairs, has been appointed High Commissioner in Malaysia, to succeed Mr. M. A. Rahman.

Mr. M. A. Rahman, at present High Commissioner of India to Malaysia, has been appointed India's next Ambassador to Iran in succession to Mr. K. V. Padmanabhan.

New Spanish Envoy:

Mr. Guillermo Nadal Y. Blanes, Resident Spanish Charge D'Affaires in New Delhi, has been nominated as the next Ambassador of Spain to India.

(**The Times of India**, New Delhi)

[Prev. ref. 8674:INI:H, 8767:INI:H]

N. **United Front Ministry In West Bengal Sworn-In:** Eleven days after the announcement of the mid-term election results in West Bengal, the United Front Ministry was sworn-in on February 24.

The UF admitted to its membership four P-SP MLAs, who had entered into electoral adjustment with the Front and had organized themselves into a new organizing committee of the P-SP in West Bengal.

The Cabinet sworn-in is one of the largest for the State ever. After the 1962 General Election, the Ministry that was formed under the leadership of the late Dr. B. C. Roy had, of course, 36 members. But then the number of Ministers with Cabinet rank was only 15.

The Chief Minister, Mr. Ajoy Mukherjee, retained the political branch of the Home Department. The Home (Jails) goes to Mr. Niranjan Sen, the Home (Transport) to Mr. Abdullah Rasul and the Home (Passport and Civil Defence) to Mr. Golam Yazdani, who is an Independent supported by the CPI(M).

Mr. Jyoti Basu (CP-M), Deputy Chief Minister, took charge of Constitution, Elections, General Administration, Police, Special and Press.

The West Bengal United Front Ministry with Mr. Ajoy Mukherjee as Chief Minister consists of 30 members.

The following are the portfolios:

Bangla Congress: (1) Mr. Ajoy Kumar Mukherjee—Chief Minister and Minister of Finance, Home (Political and Defence), Veterinary and Animal Husbandry, and Social Education; (2) Mr. Sushil Dhara—Commerce and Industries, including Agro-Industries Corporation; (3) Mr. Charu Mihir Sarkar— Community Development; and (4) Mr. Bhabatosh Soren—Forests.

CPI (M): (1) Mr. Jyoti Basu—Deputy Chief Minister and Minister-in-charge of Home (Constitution, Elections, Special, General Administration, Police and Press); (2) Mr. Harekrishna Konar—Land and Land Revenue; (3) Mr. Niranjan Sen Gupta—Relief and Rehabilitation, and Jails; (4) Mr. Satya Priya Roy—Education; (5) Mr. Abdullah Rasul—Transport; (6) Mr. Provash Chandra Roy—Fisheries, (7) Mr. Krishnapada Ghosh—Labour, (8) Mr. Krishna Chandra Halder—Excise; and (9) Mr. Golam Yazdani (Independent supported by the CPI (M)—Passport and Civil Defence.

CPI: (1) Mr. Somnath Lahiri—Local Self-Government, Planning and Development, and Housing; (2) Mr. Biswanath Mukherjee—Irrigation and Waterways, and Tanks, Small Wells, Tubewells, and Pump Irrigation of Agriculture; (3) Mrs. Renu Chakravarty—Co-operation and Social Welfare, and (4) Mr. Abdur Rezzafi Khan—Relief.

Forward Bloc: (1) Dr. Kanailal Bhattacharji — Agriculture (except the portion given to Mr. Mukherjee of the CPI); (2) Mr. Sambhu Ghosh—Cottage and Small-Scale Industries; (3) Mr. Bhakti Bhusan Mondal—Judicial and Legislative.

RSP: Mr. Jatin Chakravarty—Parliamentary Affairs and Chief Whip; and (2) Mr. Nani Bhattacharjee—Medical and Public Health.

SUC: (1) Mr. Subodh Banerjee—PWD; Miss Prativa Mukherjee (Minister of State)—Roads and Road Development.

Lok Sevak Sangh: Mr. Bibhuti Das Gupta—Panchayats.

Gorkha League: Mr. Deo Prakash Rai—Scheduled Castes and Tribal Welfare.

Workers' Party: Mr. Jyoti Bhusan Bhattacharjee—Information and Public Relations.

RCPI: Mr. Sudhin Kumar—Food and Supplies.

Forward Bloc Marxists: Mr. Ram Chatterjee (Minister of State)—Sports.

Decisions On Communists In Jail:

On February 26, at the first meeting of the Council of Ministers, it was decided to release immediately all Naxalite Communists (Marxists) who are now in detention under the Preventive Detention Act and to withdraw cases against Central employees in connexion with the token strike.

The question of those who were arrested in connection with the Naxalbari movement, including Mr. Kanu Sanyal and Mr. Jangal Santhal, also came up for discussion. It was decided on principle that they should also be released. The Home Minister, Mr. Jyoti Basu, was authorized to review individual cases and the legal implications before giving the release order.

Pending release, however, the Cabinet decided to meet the Naxalite prisoners' demand for a higher jail classification. [Kanu Sanyal and others who were on a hunger-strike for the realization of this demand broke their fast on February 26].

Regarding the non-political Preventive Detention Act cases, the Cabinet felt that quite a few people had been detained without sufficient reason and decided that their cases should also be reviewed.

It discussed the question of alleged police excesses following the dismissal of the United Front Government in November, 1967. Mr. Jyoti Basu would investigate the allegations and decide on the appropriate action to be taken.

The question whether the Inspector-General of Police in West Bengal, Mr. U. Mukherji, would, if he was asked to do so, quit his office before his term expired on March 31 this year was discussed. The consensus was that he should be asked to leave the post as early as possible.

Policies Outlined:

An outline of the policy and programme of the United Front Government in West Bengal was given by Mr. Ajoy Mukherjee, leader, and Mr. Jyoti Basu, deputy leader of the United Front Legislature Party, at a rally in Calcutta on February 23.

Mr. Mukherjee said he would not make tall promises for the UF knew of no magic by which the problems of the State could be solved overnight. The UF would try to implement its 32-point programme and its immediate aim would be to attain self-sufficiency in rice in two or three years and to relieve unemployment.

He said the problem of unemployment could not be tackled without growth of industry. The UF Government would, therefore, encourage industrial expansion in both rural and urban areas. Industries, big, medium, and small, must grow so that new employment opportunities might be created.

Mr Jyoti Basu said that the condition of the people could not be changed radically by some laws. They wanted to bring about this change peacefully but there was little hope of the Government of India co-operating in it. The people would, therefore, have to be prepared for all eventualities. If the Congress Government at the Centre wanted a confrontation, the people would have to be ready for it. He had no doubt that whatever might be the form of that confrontation, the people would meet it.

Thirty-two Point Programme:

In its 32-point programme, the UF Government, it is said, will "work for changing the Articles of the Constitution in the sphere of Centre-State relations in order to secure more autonomy and powers for the States."

It has also promised to change the rules governing the service conditions of the ICS, IAS, and IPS cadres with a view to exercising effective control over them by the State Government.

Declaring that it will "not use the police against legitimate mass movements," the programme envisages changes in the existing police code, so that it "may not be used against the rights and interests of the people." It would also suitably amend the Jail Code.

The UF Government will also take steps against concentration of wealth and possession of unlimited land and housing property in urban areas.

It will go in for radical land reforms, which include, exemption of revenue for holdings of not more than three acres, distribution of surplus land among the landless and sites to the homeless in villages.

New Communist Party Proposed:

The All-India Co-ordination Committee of Communist revolutionaries comprising Naxalites (Marxists) and other extremist elements from different States (according to **The Statesman**), decided at a secret conference held recently to form a new Communist Party. Leading members of the Committee, including some from Andhra, were stated to have attended.

The resolution passed in this regard says: "A stage has now been reached when the formation of a new Communist Party brooks no further delay. The party should immediately be formed with those revolutionaries as the core who are building up and conducting revolutionary class struggles".

Maoist in outlook, the party seeks to unite with "our class brethren who are waging heroic struggles in Burma, Thailand, Malaya, Indonesia and various other countries of the world and forge that great bond of internationalism which has been given noble expression by Chairman Mao Tse-tung in the great proletarian Cultural Revolution".

The party, it said, was necessary to develop the agrarian struggles going on in different areas to a higher stage and also to infuse in the cadre "revolutionary discipline, the spirit of self-sacrifice and death-defying abandon". Agrarian revolution would be the main content of the democratic revolution in India today.

The resolution criticized "all the parties of the ruling classes, including the various revisionist parties which are feverishly trying to strengthen parliamentary illusions".

Approving the Co-ordination Committee's "boycott election" call, it said that the call had exposed "the hollowness of parliamentarianism and the counter-revolutionary character of the revisionist and neo-revisionist parties".

(**The Statesman,** Calcutta and **The Times of India,** Bombay)

[Prev. ref. 8814:INI:A]

O. New Punjab Ministry: On February 17, Mr. Gurnam Singh was sworn-in as Chief Minister at the head of a five-member Akali-Jana Sangh coalition Government.

Other Ministers who took the oath of February 17 were Mr. Balram Das Tandon, Mr. Sohan Singh Bassi, Mr. Atma Singh and Mr. Krishan Lal.

Mr. Tandon and Mr. Krishan Lal belong to the Jana Sangh and Mr. Bassi and Mr. Atma Singh are Akalis.

Both Mr. Tandon and Mr. Krishan Lal have been General Secretaries of the Punjab Jana Sangh.

Mr. Krishan Lal was Labour Minister in the previous United Front Government.

The following are their portfolios:

Mr. Gurnam Singh: Chief Minister— General Administration, Home, Vigilance, Elections, Jails, Administration of Justice, Legislative, Transport, Public Relations, Tourism, Cultual Affairs, Health, Medical Education, Forests, Agriculture, Printing and Stationery, Housing, Slum Clearance, Social Welfare, Welfare of Scheduled Castes and Backward Classes, Political Sufferers, Community Development, Panchayati Raj, Food and Supplies, Excise and Taxation, Co-operation, Animal Husbandry, Dairying and Fisheries, Sports and Wild Life Preservation.

Mr. Balram Das Tandon: Industries, Cottage Industry, Industrial Training, Industrial Co-operatives.

Mr. Sohan Singh Bassi: Irrigation and Power, PWD Buildings and Roads, Public Health, Engineering, Rural Electrification, Technical Education, Architecture, Colonization, Town and Country Planning, Urdu Estates, Administration of Sikh Gurdwara Act, 1965, Education and Language.

Mr. Atma Singh: Revenue, Land Reform, Consolidation of Holdings, Relief and Rehabilitation, Finance, Planning, Statistics, Small Savings, Labour and Employment, Parliamentary Affairs, Local Government.

Mr. Krishan Lal: Finance, Parliamentary Affairs, Planning Statistics, Small Savings, Labour and Employment and Local Government.

Chandigarh Demanded:

The Punjab Chief Minister, Mr. Gurnam Singh, asked the Central Government on February 18 to "immediately hand over" Chandigarh, the Bhakra complex and other Punjabi-speaking areas to Punjab.

When it was pointed out that the Punjab Government had agreed to arbitration by the Prime Minister on these issues, Mr. Gurnam Singh said: "We had agreed to arbitration but they have wasted time. We cannot afford to wait any longer. They must hand over Chandigarh and Bhakra to us immediately".

If Chandigarh was not handed over to Punjab immediately, he added "I will consider that they are deliberately and consciously keeping us out of Chandigarh".

He said that Punjab was prepared to "accommodate Haryana in Chandigarh" till Haryana built its own capital.

(**The Hindustan Times,** and **The Statesman,** New Delhi)

[Prev. ref. 8814:INI:A]

P. Shiv Sena Agitation In Bombay: Bombay was in the grip of violent agitation for five days from February 7 to February 11, when loot, arson and attempts to hold meetings and lead processions against the Government ban led frequently to lathi charge, tear-gas and firing by the police.

The agitation was engendered by the Shiv Sena under its leader, Mr. B. Thackerey. They had been demanding re-distribution of the boundary between Mysore and Maharashtra, scrapping up of the Mahajan Commission report on the issue and merger of Belgaum and Karwar with Maharashtra on a linguistic basic. In January, the Shiv Sena launched a campaign to block the entry of some Central Ministers into Bombay city. They blocked the entry of Mr. Y. B. Chavan in January and on February 7, they tried to prevent Mr. Morarji Desai, the Deputy Prime Minister, from going to his residence from the airport.

The police, during these five days, fired at the crowd several times, nine times on February 11, at different places in North and Central Bombay. The death toll till February 14, was 52 with over 750 injured and over 1,500 arrested. Ten city buses were burnt on a single day on February 8, several suburban railway stations set fire to or otherwise damaged, public property looted on a large scale and IAC flights cancelled on February 9. The 67 textile mills and 500 other industrial establishments worked only one shift resulting in a loss of Rs. 75,00,000 per day. About Rs. 15 crores worth of property was estimated to have been destroyed. The loss to the Western Railways was about Rs. 15,00,000.

Mr. Thackerey (who was kept in detention since February 8) called off the agitation on February 11 and Bombay gradually resumed normalcy, though police resorted to firing both on February 12 and 13. Schools and colleges re-opened on February 12 and property worth Rs. 3,50,000 looted during these days was recovered till February 14. About 75 persons were arrested in this connection.

The Chief Minister of Maharashtra, Mr. V. P. Naik, said at New Delhi on February 14 that the delay in solving the boundary dispute gave opportunity to the opposition to carry on propaganda against the Central and the State Governments. He pleaded for shelving the Mahajan Commission report and for a fresh approach to the dispute.

Finally, on February 26, the Shiv Sena suspended the agitation.

Mr. S. Nijalingappa's Condemnation:

The Congress President, Mr. S. Nijalingappa, demanded in Bangalore on February 22 a judicial inquiry into the recent orgy of violence in Bombay over the Mysore-Maharashtra border dispute.

It was necessary to find out which were the forces behind the Shiv Sena and who were responsible for the Bombay atrocities in which innocent people had been killed and public property looted, he declared.

Condemning the activities of the Shiv Sena as anti-social and anti-national, he said, that if possible, that organization as well as similar organizations like the Gopal Sena and the Bhim Sena should be banned in the national interest. In his view, this was a legally valid step.

He ridiculed the interest taken by the Shiv Sena in the Mysore-Maharashtra border dispute. Did the Shiv Sena know what exactly was the controversy or which were the areas under dispute? Or was it merely fishing in troubled waters? Did the Shiv Sena believe that only Maharashtrians had built up Bombay? Had not the Parsis, the Gujaratis, the Kannadigas and the Maharashtrians together contributed to Bombay's growth?

Mr. Nijalingappa described the Bombay violence as a shame. The worst sufferers appeared to be those who hailed from South Kanara in Mysore State.

(**The Times of India,** Bombay and New Delhi and **The Hindu,** Madras)

[Prev. ref. 8250:INI:M]

Q. Public Employment In Telengana—Andhra High Court's Verdict: On February 3, the Andhra Pradesh High Court held Section 3 of the Public Employment (Requirement as to Residence) Act, 1957, as amended in 1964, void on the ground that it violated Article 16 (1) and (2) of the Constitution on Fundamental Rights.

Soon after the judgment was delivered, the State Government filed an appeal before a Division Bench.

[One of the measures taken by the Andhra Government to pacify those agitating in Telengana for implementation of the promised safeguards is the enforcement of the Act to see that posts reserved for the people of Telengana are not held by outsiders. In pursuance of the decision, taken at an all-party conference on January 19, officials not domiciled in Telengana but posted there are being transferred elsewhere.]

The judgment dealt with two writ petitions filed in June, 1968, by 37 teachers of schools in Nalgonda Zilla Parishad (Telengana), whose services were sought to be terminated on the ground that they were either non-domiciled temporary candidates or that they did not satisfy the residential requirement under the Act Rules of 1959.

Delivering the judgment, Mr. Justice Chinnappa C. Reddi said that at the time of the re-organization of States in 1956, it was not thought fit to amend the Constitution to provide any safeguards in the matter of public employment to persons belonging to transferred territories. The States' Re-organization Act also contained no such provision. Therefore, he was convinced that Article 16 (3) did not permit division, by parliamentary legislation, of a State into regions for the purpose of employment under the State Government and consequent mutilation of the unity of the State and the nation. The lapse of 10 years "does not add to the validity of an enactment encroaching upon fundamental rights."

Reading Section 3 of the Act in juxtaposition with Article 16 (3), he observed: "It is clear that the legislative function of prescribing any requirement as to residence prior to employment has been delegated by Parliament to the Central Government. That function cannot be delegated to any other authority since that would amount to an abdication of legislative power."

A division bench of the Andhra High Court admitted the State Government's appeal against the judgment of Mr. Justice O. Chinnappa Reddi.

The Chief Justice, Mr. P. Jaganmohan Reddy, and Mr. Justice Sambasiva Rao, admitting the appeal, stayed the operation of the judgment.

Order Stayed By Supreme Court:

On February 17, the Supreme Court stayed the operation of the Andhra Government orders under which non-Mulkis (not residents of Telengana) employed in the Telengana area will be relieved before February 28.

The court issued the order while admitting a batch of writ petitions by Mr. A. V. S. Narasimhan and 54 others of the Andhra Pradesh Secretariat Services challenging the Andhra Pradesh Public Employment (Requirement as to Residence) Act.

The petitioners contended that the Act and the orders issued under it were discriminatory and violative of Articles 14 and 16 of the Constitution. Under the Act, only persons who had been residing in Telengana for 15 years could hold certain posts.

The Act had been challenged in the Andhra High Court by some school-teachers. A single judge of the court, who heard the matter, struck down Section 3 of the Act.

Act And Rules Upheld:

On February 20, however, a Division Bench of the Andhra Pradesh High Court held Section 3 of the Public Employment (Requirement as to Residence) Act and Rules made under it valid under the Constitution.

Allowing the State appeal against the judgment of a single judge (Mr. Justice Chinnappa Reddi), striking down Section 3 of the Act, and rules made under it. Their Lordships set aside Mr. Justice Chinnappa Reddi's order.

The Bench, consisting of the Chief Justice, Mr. Jaganmohan Reddy and Mr. Justice Sambasiva Rao, also allowed the writ petitions questioning the Government order of January 21 under which non-domicile employees holding posts reserved for Telengana domiciles were to be relieved before February 28 and subsequently posted to the Andhra area.

Delivering the judgment, their Lordships observed that the Government order would apply subject to modifications. They directed that non-domiciles should not be relieved of their jobs as they would be entitled to be appointed in supernumerary posts to be created in places where they were working. "We direct that the respondents (non-domiciles) in these appeals will not be ousted until supernumerary posts are created in places in which they are working and they are appointed to them. We feel that there will be no insurmountable difficulty in implementing these directions."

Supreme Court's Stay Order:

On March 6, the Supreme Court directed the continuance of its earlier order staying the operation of the Government of Andhra Pradesh Order known as the "Mulki (domicile) Order" under which all non-domicile employees in service in the Telengana region were to be relieved from their respective posts in January, 1969.

The operation of certain directions given by a Division Bench of the Andhra Pradesh High Court in a group of appeals and writ petitions impugning the same Government order was also stayed.

The Division Bench of the Andhra Pradesh High Court had upheld the validity and constitutionality of the Government Order in question and the provisions of the Public Employment (Requirement as to Residence) Act, 1957, under which the Order was issued by the Andhra Pradesh Government. In order to mitigate hardship to those affected, the Division Bench had directed that disturbance from their posts (place of work) of the Andhra region personnel already employed in the Telengana region should be minimized or avoided by the State by the creation of necessary "super-numerary posts" to accommodate them.

The State Government's petition which came up for hearing on March 6 prayed that the Supreme Court "may permit the implementation of the directions of the Division Bench of the High Court vacating its **interim** ex-parte order of stay passed on February 17, 1969."

This order was passed by the Chief Justice of India, Mr. Justice Hidayatullah, while admitting a direct writ petition to the Supreme Court under Article 32 of the Constitution by A. V. S. Narasimha Rao and others affected by the Andhra Pradesh Government's order. The petitioners had challenged therein the validity and constitutionality of the order and the Act and rules giving birth to it.

Telengana Ministers' Statement:

All Telengana Ministers except the Information Minister, Mr. Konda Laxman Bapuji, in a joint statement issued on March 1, appealed to the people of the region not to be misled by the slogan of a separate Telengana.

Mr. Konda Laxman Bapuji was also present at the two-hour meeting of Telengana Ministers with the Chief Minister, but issued a separate statement.

Emerging from the meeting, the eight Telengana Ministers said that whatever might be the concern and anxiety in regard to implementation of safeguards, "there is no justification whatsoever to make this a ground for demanding a separate Telengana."

They admitted that failure to implement fully the safeguards over the years had caused disappointment to the Telengana region and assured the people that they would pursue the matter relentlessly.

They pointed out that the formation of Andhra Pradesh was not based on mere linguistic emotionalism but on "the irrefutable logic of administrative convenience, geographic continuity and economic viability." "A separate Telengana or for that matter, a separate Andhra State cannot be viable and would not enable full exploitation of the resources of both regions. Political stability also demands that such regional separation is not encouraged."

The statement was signed by Mr. V. B. Raju, Mr. J. V. Narsinga Rao, Mr. K. V. Narayana Reddy, Mr. B. V. Gurumurthy, Mr. S. Sidda Reddy, Mr. M. Ibrahim Ali, Mr. Arigary Ramaswamy and Mr. P. V. Narasimharao.

Telengana Convention:

A Telengana Convention organized by the Telengana Students' Action Committee in Hyderabad on March 9 called upon the students of all educational institutions in the region to abstain from classes till a separate Telengana State was formed.

By another resolution, the Convention called upon the Ministers representing Telengana and legislators from this region "who have betrayed the confidence of the Telengana people to forthwith resign their respective positions and seek a fresh mandate from the electorate on the separate Telengana issue."

The resolution stated: "The paltry dose of so-called safeguards can neither retrieve the people of Telengana from their suffering nor is there any bonafides therein.

"Our agitation is not against our Andhra brethren who are as near to us as the people of the rest of the country and we owe absolutely no antagonism or malice to them.

"Our demand, apart from being a legitimate democratic right, is the only alternative to meet our aspirations; we pledge we will make every peaceful endeavour to achieve our objective, namely, statehood for Telengana and resolve to make it a strong and prosperous State in our country. We ardently believe in the introduction of Hindi as the national language and Telugu as the State language."

(**The Statesman,** New Delhi)
and **The Hindu,** Madras)

[Prev. ref. 8792:INI:I]

R. **Mid-term Poll Analysis:** According to a poll analysis of the mid-term election early in February, the Indian National Congress polled the largest percentage of the popular vote in the States of Bihar, Uttar Pradesh and West Bengal. The voting figures for Punjab have not yet been worked out.

West Bengal:

Although the Congress secured only 55 seats in a House of 280 members—as against 127 in the 1967 General Election—the party polled more votes in the mid-term election than two years ago.

In the mid-term election in February the Congress won 55 seats, polled 5,538,617 votes, showing a percentage of 41.31. In the 1967 General Election, the corresponding figures were—seats won 127, votes polled 5,198,347, percentage 32.13.

The Communist Party (Marxist) this time won 80 seats, polled 2,676,976 votes, showing a percentage of 19.96. In the General Election two years ago, it, secured 133 seats, polled 2,255,229 votes, showing a percentage of 17.77.

The Communist Party of India in the mid-term poll secured 30 seats and polled 937,472 votes, showing a percentage of 6.99. As against these figures, in the General Election two years ago, it had secured 58 seats and polled 933,407 votes, showing a percentage of 7.36.

The fortunes of the Bangla Congress remained more or less unchanged. In the mid-term poll, it secured 33 seats and polled 1,093,644 votes, showing a percentage of 8.16, while two years ago it had secured 34 seats and polled 1,325,013 votes, the percentage being 10.44.

Independents and Others secured 47 seats and polled 1,935,996 votes (14.44 per cent) in 1969, as against 31 seats and a popular vote of 1,730,997 (13.65 per cent) two years ago.

The Samyukta Socialist Party (SSP) in 1969 secured nine seats, polled 249,362 votes, showing a percentage of 1.86 this time, as against seven seats, 327,888 votes with a percentage of 2.58 two years ago.

The P-SP this time secured five seats, polled 175,890 votes with a percentage of 1.31, as against seven seats, 221,181 votes and a percentage of 1.74 in 1967.

The worst sufferers in West Bengal were the Jana Sangh and Swatantra parties. The former polled 119,307 votes (0.89 per cent.) but failed to secure a single seat. In 1967, the party had one seat and had polled 114,716 votes (0.90 per cent).

Uttar Pradesh:

The Congress made significant gains, securing 208 seats with a popular vote of 7,813,683 (33.55 per cent). In the General Election in February 1967, it had secured 199 seats, polled 6,909,712 votes, with a percentage of 32.13.

The Jana Sangh and Swatantra suffered reverses in UP also. The Jana Sangh got 48 seats, polling 4,164,617 votes with a percentage of 17.88. In February, 1967 it had secured 98 seats, 4,666,442 votes with a percentage of 21.70.

The Swatantra Party secured five seats, polled 250,781 votes, with a percentage of 1.08 this year. In February, 1967, the party had secured 12 seats, polled 1,012,877 votes, showing a percentage of 4.71.

Independents and Others bagged 117 seats this time with a popular vote of 7,153,102 showing a percentage of 30.72, as against 46 seats, 4,882,000 votes (22.70 per cent.) in the General Election two years ago.

Bihar:

The Congress secured 118 seats, polled 4,281,756 votes (30.41 per cent) in the mid-term election as against 128 seats, 4,281,756 votes (32.82 per cent) in 1967.

The fortunes of the Communist Party of India and the Communist Party (Marxist), so far as the seats won were concerned, remained more or less constant.

In the mid-term election, CPI secured 25 seats and polled 1,519,049 votes (10.16 per cent) as against 24 seats and 959,430 votes (7.35 per cent) two years ago. The CP (M) got three seats and polled 184,184 votes (1.23 per cent) in the mid-term election, as against four seats and 141,154 votes (1.09 per cent,) in 1967.

The Jana Sangh made a notable gain in Bihar in the mid-term election. The party bagged 34 seats and polled 2,361,741 votes (15.8 per cent) as against 26 seats, 1,394,934 votes (10.69 per cent) in the last General Election.

Independents and Others registered marked gains in Bihar. They got 65 seats, polled 3,369,663 votes with a percentage of 22.54, as against 21 seats, 1,911,562 votes (14.65 per cent) in 1967.

The Swatantra Party retained its three-member strength, though there was a diminution in the popular vote secured by the party, which was 128.548 (0.86 per cent,) in the mid-term poll as against 339,681 votes with a percentage of 2.6 in 1967.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8812:INI:A]

S. Company Donations To Political Parties: Company donations to various political parties in 1967-68 amounted to a little over Rs. 1,30,00,000, which was about Rs. 21,00,000 more than in the previous year (1966-67).

These figures relate only to the amounts shown in the balance-sheets of companies with the closing date falling between the beginning of April, 1966 and the end of March, 1967 and during the next 12 months.

Details of the amounts paid by 586 companies were furnished in a written reply to a question in the Lok Sabha on March 11.

An analysis of the figures showed that the Congress received Rs. 85,21,261 in 1966-67 and Rs. 1,06,47,856 in 1967-68. The next in order was the Swatantra Party which received Rs 22,87,192 and Rs. 21,09,173. The Jana Sangh received Rs. 76,242 and Rs. 2,09,681; P-SP Rs. 7,851 and Rs. 25,345; SSP Rs. 5,523 and Rs. 6,162; Communists Rs. 326 and Rs. 1,941. Other political parties are BKD Rs. 2,001; DMK Rs. 500; Akalis Rs. 1,479; RSP Rs. 450, Muslim League, Rs. 101 and Hindu Mahasabha, Rs. 1,152.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8509:INI:C]

T. New Fishing Harbour: Work on the first fishing harbour at a major port in the country was inaugurated by the Central Food Minister, Mr. Jagjivan Ram, on the Royapuram coast in north Madras on March 9.

In doing so, Mr. Jagjivan Ram said that first plans and estimates had also been finalized for a fishing harbour in Bombay. In addition, fishing harbours would come up at several minor and intermediate ports, the largest of which would be at Tuticorin in Tamil Nadu and Vizhinjam in Kerala. The Central Ministry of Food and Agriculture would meet the cost of the fishing harbours at the major ports. The Madras fishing harbour, estimated to cost Rs. 3.88 crores would be constructed by the Madras Port Trust engineers, who expected to finish the project by May, 1971. After completion of the fishing harbour and shore facilities he said, a catch of about 65,000 tonnes of fish was expected to be landed at the port annually. Prawns and shrimps worth Rs. 3 crores were expected to be exported every year from then on. Employment opportunities would be created for 3,000 skilled fishermen, 400 trained operatives and 2,003 workers in processing and ancillary industries.

(**The Hindu**, Madras)

U. More DA For Madhya Pradesh State Employees: It was announced in Bhopal on February 12 that the Madhya Pradesh State employees drawing up to Rs. 499 per month with the benefit of marginal adjustment would get enhanced dearness allowance from March 1.

The increase varies from Rs. 6 to Rs. 11.

For UP State Employees:

The Uttar Pradesh Government announced on February 4 an increase in dearness allowance of all Government employees drawing a monthly salary of up to Rs. 499.

An official spokesman told newsmen that the increase which would cost the State exchequer an additional sum of Rs. 4 crores, would be effective from January this year.

The increase in DA ranges from Rs. 6 to Rs. 11.

(**The Times of India**, New Delhi)

[Prev. ref. 7546:INI:U, 8517:INI:H]

V. Poet Ghalib's Birth Centenary: The President, Dr. Zakir Husain, formally opened the Ghalib Centenary celebrations, on February 16 and, in doing so, stressed the inimitable sincerity, generosity and sacred restlessness embodied in Ghalib's art.

"Ghalib" he said, "inherited a culture based on certain sublime values, including love of mankind."

He said: "Ghalib ponders over the basic problems of Self and Existence and endeavours to reach the essence of the eternal question of the nature and objectives of life. In the incessant quest, he sometimes reaches for the stars of the skies and sometimes touches the lowest depth of despair. But the eternal glow of the restless flame of life and longing is never extinguished, and it is this indomitable capacity or longing and desire which, coupled with his faith in life and inimitable style of making his words echo in every heart, that gives Ghalib's poetry an eternal radiance of its own. His poetry combines thought and emotion in a manner which not only lends new vigour and vitality to emotions but gives insight and evokes in the human heart sublime thoughts".

The Prime Minister, Mrs. Indira Gandhi, who could not be present, in her message, lauded Ghalib as a link between India, Iran and Central Asian cultures and paid tribute to his poetic vision and insight.

Mr. Morarji Desai released a special commemorative stamp on Ghalib.

Ghalib Academy:

On February 22, the President, Dr. Zakir Husain inaugurated the Ghalib Academy in New Delhi.

The Academy, costing about Rs. 5,00,000 has been built by the side of Ghalib's grave. The land, worth about Rs. 1,00,000 was donated by Hakim Abdul Hameed, President of the Academy.

About 25 academicians from Russia, Italy, England, Yugoslavia and Germany and the Ambassadors of Pakistan, Kuwait and some other countries were present on the occasion. The foreign academicians were presented with books on Ghalib.

(**The Statesman** and **The Times of India**, New Delhi)

W. **Sahitya Akademi Awards:** Ten books in various Indian languages have been selected as the "most outstanding books of literary merit" for the Sahitya Akademi Awards for 1968.

The selection of these books for the awards was made at a meeting of the Akademi's Executive Board held in New Delhi on February 13.

The selected books together with the language, the nature of the work and the author's name are as follows: Alakananda (Assamese), poetry, by Mrs. Nalinibala Devi; Avalokana (Gujarati), literary review, by Mr. Sundaram. Do Chattanen (Hindi) poetry, by Mr. Bachchan; Sannakathegalu (Kannada), short stories, by Masti Venkatesh Iyengar; Pathahin Nagna Gachh (Maithili) poetry, by Yatri (Nagarjun); Yugant (Marathi), interpretation of the Mahabharat, by Mrs. Iravati Karve; Naven Lok (Punjabi), short stories, by Kulwant Singh Virk; Srigurugovinda - Simhacharitam (Sanskrit), poetry, by Satyavrata Shastri; Shah Jo Rasalo (Sindhi), evaluation, by K. B. Advani; and Vellai Paravai (Tamil), poetry, by A. Srinivasa Raghavan.

The awards relate to books first published during the preceding three years—January 1, 1965 to December 31, 1967.

(**The Times of India**, New Delhi)

[Prev. ref. 7575:INI:X]

X. **New Sahitya Akademi Fellows:** It was announced in New Delhi on February 18 that four eminent men of letters and poets had been elected Fellows of the Sahitya Akademi.

They are: Mr. C. Rajagopalachari, Mr. Tarasankar Bandopadhyay, (author), Mr. Dattatreya Ramachandra Bendre, (Kannada poet) and Mr. Sumitranandan Pant, (Hindi poet.)

A few months ago, Dr. S. Radhakrishnan was elected the first Fellow of the Akademi in recognition of his outstanding contribution to Indian thought and to the tradition of universal humanism.

According to the Sahitya Akademi, the distinction has been conferred on Mr. Rajagopalachari "for his manifold eminence as patriot statesman, humanist and moral crusader and a man of letters who has popularized ancient classics in modern idiom."

(**The Hindustan Times**, New Delhi)

Y. **New Astral Trespass Discovered:** The Chairman of the Atomic Energy Commission, Mr. V. Sarabhai, announced at the Third International Symposium on Equatorial Aeronomy in Ahmedabad on February 3 that two Indian scientists had discovered an astral trespass by another star into the star region, believed to be the Sun's exclusive sphere of influence.

Prof. K. R. Ramanathan and Dr. M. S. Anantkrishna, of the Physical Research Laboratory, Ahmedabad, discovered the "enhanced ionization in the region due to the passage of Scorpio XI which is an intense source on X-rays."

Dr. Sarabhai said: "I believe this constitutes the first observable effect on the Earth of the single star other than the Sun. I am sure this will delight astrologers the world over."

(**The Times of India**, Bombay)

Z. **Kalinga Prize Awarded To Prof. Fred Hoyle:** Prof. Fred Hoyle, distinguished British astronomer, was awarded the Kalinga Prize for popularising science at a function organized by UNESCO at India International Centre in New Delhi on February 15.

The £1,000 prize was presented to Prof. Hoyle by the Central Education Minister, Dr. V. K. R. V. Rao, who expressed the hope that more Indian scientists would emulate the British cosmologist, mathematician and science fiction writer by popularising, interpreting and disseminating science among the masses.

The citation noted that his works in relating science to life and human needs, as also the approach, insight and his philosophical views, represented a simulating fusion of education, science and culture, the ideal for which UNESCO stood.

The citation was read out by Mr. Salah El-Din Tewfik, chief of UNESCO Mission in India.

After presenting the award, Dr. Rao made an impassioned plea for popularizing science in various Indian languages, not only to create awareness of the potentialities of science among the general public, but also to educate the ruling class and decision-makers.

Second Kalinga Award:

A suggestion made by the Central Education Minister, Dr. V. K. R. V. Rao, on February 15 led to the institution of another award for popularization of science in Indian languages.

Speaking at the Kalinga Prize distribution ceremony, Dr. Rao had said that it would be a good idea if some organization or foundation could institute an award to be given to Indian authors who write popular science books.

As soon as he spoke, Mr. B. Patnaik offered an award also of £1,000 to Indian writers who have done most to popularize science in their own regional languages.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 8583:INI:L]

ISRAEL

A. **Confidence Vote For Government:** The Government defeated a motion of no-confidence tabled by the Opposition Free Centre Bloc in the Knesset (Parliament) on February 11 by a vote of 74 to three with seven abstentions.

The motion had sought to censure the Government for its reported readiness to yield West Bank territories.

The Government's victory came amid signs of a split in the coalition. Members of the Gahal party faction, who favour retention of all the lands conquered in the 1967 war with the Arab States, announced after voting with the Government that they would decide soon whether to resign.

The dispute revolved around a statement reported to have been made by the Prime Minister Mr. Levi Eshkol, in an interview with the magazine **Newsweek**, where he was reported to have said that Israel was "flexible" about every aspect of a peace settlement except that it was determined to keep the Golan Heights and Jerusalem, and to have troops stationed along the Jordan River and at Sharm el-Sheikh.

He was also reported to have said: "Israel is not interested in any part of the inhabited regions of Judea and Samaria," the Israeli terms for the West Bank of Jordan, "such as Shechem (Nablus), Jenin, etc." Mr. Eshkol's comments about returning these West Bank towns, where most of the area's 600,000 Arabs live, raised a political storm.

Members of Parliament and those in the Cabinet who favour retention of all occupied areas objected to what appeared to be a Government decision to give up these areas.

Mr. Eshkol did not deny saying that he had made the comment in the interview, only that it was not in the text of the interview submitted to his office by **Newsweek**.

(**The New York Times** and **The Hindu**, Madras)

[Prev. ref. 8634:ISR:A, 8735:ISR:A]

B. Syrian MIG Brought Down: Israeli defence officials reported on February 12 that an Israeli jet had brought down a Syrian MIG-21 earlier in the day over the Golan Heights.

The Israelis said that two Syrian MIGs had crossed the cease-fire line in the Kuneitra area and that the one shot down had fallen in Syrian territory and the pilot was seen bailing out safely.

The Syrian version, presented by **Damascus Radio**, said that four Israeli jets had intruded into Syrian air-space and shot down a jet on a training flight.

(The New York Times)

[Prev. ref. 8724:SYR:A, 8775:ISR:A]

C. El Al Air-liner Shot At By Arab Gunmen: Some unidentified gunmen, believed to be Arabs, shot at an El Al Israeli air-liner at Zurich airport on February 18 injuring five aboard.

Airport sources said that one of the attackers was fatally shot by a security official.

The four-jet Boeing-707 was about to take-off for Tel Aviv with 15 passengers aboard when it was attacked.

The popular Front for the Liberation of Palestine claimed "full responsibility" for the attack on Israel's airline.

A **communique** said that the attack by four commandos, including a girl, was a reprisal for "brutality and torture" allegedly committed by Israeli authorities against "unarmed and innocent civilians in occupied Arab territory."

Next day (February 19) Israel called on UN to act swiftly and effectively to halt the escalation in disruption of international air routes by attacks like that on an Israeli airliner at Zurich.

U Thant said in New York that he had heard "with dismay and deep concern" of the terrorist attack on an Israeli airline and appealed to Israel not to retaliate and said that such attacks should be condemned by all Governments and peoples if civil aviation is to be saved "from chaos and anarchy."

In Washington, the US State Department condemned the attack as a "senseless act."

(The New York Times)

[Prev. ref. 8748:ISR:A]

LAOS

A. Move For Resumption of Political Talks: The Soviet Ambassador in Vientiane, Mr. Victor Ivanovich Minin, delivered a personal letter from the Prime Minister, Prince Souvanna Phouma, to the leader of the pro-communist Neo Lao Haksat, Prince Souphanouvong, at his headquarters in the north Laos town of Sam Neuth on February 4.

This was the first time that Prince Souvanna Phouma had written personally to Prince Souphanouvong—his halfbrother—since the latter went to Sam Neua six years ago to lead, with Hanoi's backing, the forces of the Pathet Lao (the military wing of Neo Lao Haksat) against the Government.

Observers said the move represented an attempt to begin talks between the Government and the Neo Lao Haksat. Diplomats and politicians believed that talks between the two sides were inevitable in the Laotian crisis, which had developed alongside that in Viet-Nam, was to be resolved.

In theory, Laos has a neutral status guaranteed by 13 countries and is ruled by a Government of National Union representing the Right, neutral, and Left wings. In fact, the Left-wing Ministers led by Prince Souphanouvong had been in armed rebellion since 1963, supported by thousands of North Viet-Namese troops.

Observers believed that the North Viet-Namese were in Laos to protect their supply routes to South Viet-Nam and to provide a barrier to invasion on their western frontier. The American aim, demonstrated by bombing the Pathet Lao's "liberated zones", was to defeat these objectives.

On paper, a return to the formula of national union and neutrality respected by all countries seemed a reasonable solution, acceptable to the outside Powers as well as to the Laotian factions. However, difficulties could come from the extremists in both camps and from their support from foreign Powers.

Pathet Lao Allegation:

Earlier, on February 6, the Pathet Lao forces and the Laotian Government were continuing to intensify their air raids on lower Laos.

The Pathet Lao said that during the week ending January 14, US and Laotian Government planes had flown 4,783 sorties over the provinces of Thamouon, Savannakhet, Ta Ven Oc and Attopeu.

The Pathet Lao said the planes had unleashed 719 bombs, including 466 incendiary bombs, and 180 rockets, causing extensive losses to the lives and property of the local population.

(**The Times**, London and **The Times of India**, New Delhi)

[Prev. ref. 8638:LAO:B]

NEPAL

A. King Zahir Shah's Visit: King Mohammed Zahir Shah of Afghanistan arrived in Khatmandu on February 16 on a five-day visit to

Nepal at the invitation of King Mahendra.

He was welcomed at the airport by King Mahendra and Crown Prince Birendra.

The Afghan King was accompanied by his two sons — Prince Mohammed Nadir and Prince Mohammed Daoud.

The first ruling monarch to visit Nepal after Queen Elizabeth's visit in 1961, King Zahir Shah said at Tribhuvan airport that relations between Nepal and Afghanistan were based on "our common respect for the independence of peoples and nations and peaceful co-existence and world peace".

Earlier welcoming King Zahir Shah, King Mahendra referred to the common characteristics of the two countries. including the fact that both were landlocked and mountainous.

He also referred to the "many possibilities of co-operation and common approach of our two countries in both national and international fields".

State Banquet:

At a State banquet given in honour of King Zahir Shah on February 16, King Mahendra said that Nepal was and would remain "eternally vigilant to keep our (panchayat) system away from any kind of vicious or unfavourable influence in all matters concerning the honour and freedom of our country".

Nepal, he said, wanted peace and "we do not like to be involved in any unnecessary rancour or conflict with anybody".

It was a speech directed to his own countrymen reminding them that the non-party panchayat system had come to stay.

King Zahir Shah, in his reply said that his country believed in a policy of "positive non-alignment" and "firmly supported people's right to self-determination."

Civic Reception:

At a civic reception accorded to him in Khatmandu on February 27, King Zahir Shah said that he was pleased at the progress made by Nepal in the field of economic development under King Mahendra's leadership.

Both Afghanistan and Nepal, he said, were developing in accordance with their own tradition and culture.

Joint Communique:

In a Joint Communique issued on February 23, King Zahir Shah and King Mahendra expressed their concern at the situation in West Asia and hoped that a settlement would be reached on the basis of the Security Council's resolution of November 22, 1967.

The two Heads of State expressed the hope that the Paris peace talks on Viet-Nam would lead to a just and lasting settlement in accordance with the Geneva Agreement of 1954.

King Zahir Shah, the **communique** added, was "highly impressed by the social and economic progress made by Nepal under the unifying leadership of King Mahendra."

The two Kings exchanged views on international questions of common interest, particularly those relating to development in the region and re-affirmed their desire to serve the cause of peace and international understanding.

They "re-affirmed the need for elimination of colonialism in all its forms and manifestations and supported the principle of self-determination as envisaged in the UN Charter".

They also expressed satisfaction at the progress of the ECAFE-sponsored Asian highway project and pointed out that the project would result in the "emergence of new opportunities in land transportation."

King Zahir Shah left on February 23.

(**The Statesman**, Calcutta and **The Times of India**, New Delhi)

B. King Mahendra On Panchayati System: In a broadcast to the nation on "Democracy Day" (February 18), King Mahendra ruled out revival of political parties in Nepal and said that the panchayati system assured the people full "democratic freedom."

> [According to observers, this is the first time, since the Royal take-over in December, 1960 that the King has spoken in such emphatic terms against political parties.]

The King said that the parliamentary system of democracy was tried in Nepal also, but the "masses could not feel their association with the administration, and democracy remained as distant as ever."

He re-iterated the thesis he first propounded in public in the early 1960s that the parliamentary system of government did not suit Nepal as the people lacked education. It was not practical and desirable from the national view-point to leave the way open for exploitation of the common people by allowing emergence of political parties.

He added: "Nepalese society seems to have already realized the fact that in any country where education and means of creation and utilization of public opinion are lacking, political parties only confuse the common people and create internal competition and conflict, weakening the national strength.

"Though there is no place for political parties in the panchayat system, there is full democratic freedom to reach a proper decision through mutual discussions.

"The panchayat system can provide no room for rivalry, power, groupism or opportunism. None should have any misunderstanding in this respect.

"To obstruct the progress of this system, which is progressively strengthening and developing, will be tantamount to undermining the nation and hampering its progress."

He singled out students for special mention and said that the goal of democracy would be out of reach if anybody indulged in selfish and anti-national acts. "Nepal and the people, especially students, would have to suffer dire consequences in future."

(**The Times of India,** Bombay and New Delhi)

[Prev. ref. 8426:NEP:A]

C. Help To Border People: On March 6, the Nepal Government announced measures to help people living in the areas bordering Tibet who lost their sole means of livelihood following non-renewal of an Agreement between China and Nepal which expired in September, 1967.

The Agreement, which was valid for five years, allowed Nepalese people to take their animals across the border to Tibet for grazing in Tibetan pasture lands, a traditional practice for both Tibetans and Nepalese living in the border areas. Failure to renew the Agreement was a blow to the Nepalese people whose only means of livelihood in those mountain areas was rearing animals like yaks.

The Government, it was announced, would send specialists in botany and veterinary science and experts from the Cottage Industries Department to these areas to undertake afforestation and growing of grass in those areas. The plan also envisages poultry farming, rearing of pigs and beekeeping.

(**The Statesman**, Calcutta)

[Prev. ref. 7474:NEP:B]

D. New Mountaineering Rules: The Nepal Government announced on March 9 new mountaineering rules which will make expeditions to the Himalayan peaks in this country costlier, but will increase the income of Nepalese nationals associated with the expeditions and make their service conditions more secure.

According to the new rules, a team attempting to scale Everest (29,028 feet) will have to pay a royalty of Rs. 10,000, Rs. 8,000 for peaks above 26,000 ft. and Rs. 6,000 for peaks below that altitude.

The Nepal Government will provide liaison officers who have to be taken by each expedition compulsorily and pay him in addition to prequisites a fixed salary of Rs. 800. Guides, porters and Sherpas will be provided by the Government alone through the Himalayan society.

The new rules make it obligatory for expeditions to provide these people with all types of equipment and food from the base camp to the top at the same standard as enjoyed by other members of the expeditions. Compensation is to be paid to families of liaison officers and guides, porters and Sherpas in case of death or disablement.

The rules also lay down the route to be followed by the expeditions. The expeditions could scale no other peak than the one for which permission has been granted. Teams have been forbidden from taking pictures that endangers the security of Nepal and were detrimental to the religious and moral beliefs of the people.

Wireless sets cannot be used without permission from the Government and must be supervised by liaison officers. Of special importance to reporters, is the rule that all news have to be channelized through the Government. The rules prohibit publication of narratives which may be considered harmful to the interests of Nepal.

Everest and 37 other peaks have been thrown open to foreign mountaineering teams this season and a German team that will attempt Annapurna 1 (26,493-ft) is now on its way to Nepal.

Most of the rules are just a restatement of the old rules that were in force when mountaineering was banned four years ago, but special rules have been framed now laying stress on the security of Nepal and greater consideration for Nepalese nationals associated with expeditions.

(**The Statesman**, Calcutta)

[Prev. ref. 8519:NEP:A]

SAUDI ARABIA

A. **Ex-King Saud Passes Away:** The death occurred in Athens on February 16 of Ex-King Saud after a heart attack.

Tall and powerfully built, ex-King Saud of Saudi Arabia, was born in 1902. He was fond of shooting and hiking, and was a fine horseman. In his early youth, he took part in many skirmishes, and later helped his father to put down two rebellions. In 1934, when his father, Ibn Saud, went to war with Yemen, he was given command of the Saudi forces. In a difficult mountain campaign he defeated the Yemenis within six weeks. The following year (1935) his father sent him to England for a short visit. There, among other activities, he attended a Royal Court. During Ibn Saud's life-time, he was Viceroy of Nejd.

On his father's death in 1953, he ascended the throne. For two years he reigned, allowing his brother, Prince Faisal, to run the country as Finance Minister. But in 1960, he started asserting his power and dropped hints of wanting to introduce constitutional reforms. However, when the time came to institute the reforms, he vetoed all proposals for it.

In the winter of 1955, King Saud paid a 17-day State visit to India. The following year, Mr. Nehru went to Saudi Arabia at the King's invitation.

Since February, 1964, his family had been insisting that he hand over his powers to his younger brother—Prince Faisal. In November, 1964 he was forced to abdicate and his brother, Emir Faisal, became King of Saudi Arabia.

He lived for several years in Greece after leaving Saudi Arabia and in 1966, surprised the Arab world by announcing that he would live in Cairo despite the fact that he and President Nasser had quarrelled for many years.

(**The Statesman**, Calcutta)

[Prev. ref. 7618:SUA:C]

SIKKIM

A. **Sikkim Durbar Session:** Mr. Kunzang Sherab, Finance Secretary of the Sikkim Durbar, presented a balanced Budget of about Rs. 2 crores for 1969-70 for Sikkim when the 24-member Sikkim Council commenced its week-long session in Gangtok on March 6.

Earlier, the leader of the Sikkim National Congress, Kazi Lhendup Dorji Khangsarpa of Chakung, followed by four of his party members, staged a walk-out protesting against what he described as "unwarranted styling as leader of the SNC by a particular Executive Councillor" during his speech.

The Council is entitled to deal with subjects like forests, education and public works department. Police, land revenue, food, finance, planning and development are exclusively reserved for the Durbar.

(**The Statesman**, Calcutta)

[Prev. ref. 7756:INI:C]

VIET-NAM (DR)

A. **Bid For Japanese Assistance:** According to Japanese trading sources, North Viet-Nam is seeking Japan's technological and economic co-operation for its economic rehabilitation.

North Viet-Nam also hopes to set up joint ventures with Japanese enterprises and export processed goods made of Japanese materials.

These plans were made known by North Viet-Namese leaders to Mr. Mitsunobu Nakahara, managing director of the Japan-North Viet-Nam Trade Association, when he visited Hanoi in January at the invitation of the North Viet-Namese Chamber of Commerce.

Meanwhile, six Japanese firms trading with North Viet-Nam have received invitations to send their officials to Viet-Nam for the first time in two years.

Hanoi's basic trade policy with Japan, according to these sources, calls for (1) cash settlement (in £ sterling) for small-scale transactions, (2) deferred payment for larger transactions; and (3) export of processed goods made of Japanese materials.

(**The Japan Times**, Tokyo)

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BHUTAN

A. Admission To UPU: It was stated in New Delhi on March 13 that the Swiss Government had informed the Government of India that Bhutan had been admitted as a member of the Universal Postal Union (UPU)—an agency of United Nations.

Bhutan has also been told of its membership.

The Universal Postal Union had entrusted the work of carrying out the necessary formalities regarding the UPU membership to the Swiss Government.

India first supported Bhutan's application for UPU membership in 1967, but this could not come through owing to the inability of several nations of UN to reply to the Swiss Government's circulars on Bhutan's entry in time.

Bhutan applied afresh in 1968 followed by a strong Indian support and lobbying for its membership.

Bhutan is already a member of the Colombo Plan. Its membership of the UPU entitles her for a place in UNCTAD.

(**The Times of India**, New Delhi)

CEYLON

A. Independence Day: Ceylon celebrated the 21st anniversary of her Independence on February 4 with traditional pageantry, parades and cultural shows.

The Prime Minister, Mr. Dudley Senanayake, in a broadcast pointed out that the occasion also marked a stage when the country had been able to "pull itself through by its own efforts from the throes of an economic crisis and to forge ahead."

He said that the Government had formulated a plan for agricultural development and noted that Ceylon had already established a record in agricultural production.

The following are excerpts from his speech on the country's achievements:

"We can proudly claim that after 21 years of Independence our free system of government and our free ways of life and belief are preserved intact. Among the factors that contributed to this, in my opinion, the one of fundamental importance is the fact of our having enjoyed uninterruptedly the benefits of universal franchise. We were able to preserve that heritage of freedom because we in Ceylon realized the great value that lay in universal franchise—that power which we enjoyed for 38 years past and which enabled the people to change the Government at their will. We must, therefore, make a firm determination—whatever our difference of political opinion may be—to safeguard that democratic system which ensures the liberty of the people, which guarantees the power of the people.

"When we take a look at our population, we notice that about 70 per cent of our people are those who earn their living by cultivation and farming—by agriculture. Therefore, in any programme for development, in any scheme for progress, we must give pride of place to agricultural development.

"And to properly raise the standards of living in the country, we must develop the industries as well. Some of the developed countries in the world bear testimony to this fact. This twin development is essential; it must go hand in hand.

"The year 1968 has witnessed a spectacular national development. We were able to increase our national income. I would, therefore, exhort you to consider that we are living in a very momentous era in the history of our nation; we should not think that we have been unfortunate to live through these times, undergoing the economic hardships that we did. It has been the good fortune of this, our present generation, to have been able to face that challenge and deliver the nation from the depths into which it had fallen. I appeal to you to take heart at our good fortune and I earnestly pray that every one of us will be able to render significant service towards the progress of our nation."

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 6979:CEY:B]

B. Liquor Policy: The liquor policy of the Government was outlined in a **communique** issued by the Ministry of Home Affairs on February 3.

The **communique** said: "With a view to implementing at some future date the system of permits as described in the Report of the Prohibition Commission, the Department of Rural Development and Small Industries, in conjunction with the Information Department, the Ceylon Broadcasting Corporation, the Education and Cultural Departments and the Department of Health Services will formulate a plan to carry out propaganda work against the evils of taking liquor and the benefits of abstinence.

"The following measures will also be taken: (i) The bar at the Senate will be closed with the consent of the President and the Members of the Senate; (ii) Liquor will be banned at all official functions of the Government of Ceylon, whether in Ceylon or abroad; (iii) Occasional liquor licences, which are now issued to carnivals, fairs, etc, will not be issued in the future; (iv) New liquor licences to hotels, restaurants, etc, will not be issued except on the recommendation of the Ministry of State for the furtherance of tourism; and (v) The penalties under the various laws that deal with drunkenness will be enhanced by suitable amendments of the law."

(**The Ceylon High Commission,** New Delhi)

C. Food-for-Peace Agreement With USA: The third major Economic Agreement between the United States and Ceylon in the past 18 months was signed in Colombo on February 19. It provided for the supply of approximately 150,000 metric tons of wheat flour at an estimated cost of $17,500,000.

The Agreement came into effect immediately. Deliveries of flour were expected to begin as soon as the necessary procurement and shipping arrangements could be made.

The preferential Loan Agreement was made possible by the US Food-for-Peace Programme which gears American farm production to the needs of other countries with carefully constituted plans for increase of their own food production capabilities.

Since October, 1967 three Agreements between the two countries had been signed under the Food-for-Peace Programme. At that time, Ceylon and the United States signed a $9,970,000 Agreement for USA to deliver 87,000 metric tons of flour and 6,000 tons of maize.

On June 21, 1968 the Agreement of $15,000,000 provided for the delivery of approximately 150,000 metric tons of wheat flour.

(The Ceylon High Commission, New Delhi)

[Prev. ref. 8267:CEY:C]

D. Loan Pacts With Canada: Two Loan Agreements totalling Canadian $2,000,000 between Canada and Ceylon were signed in Colombo on February 18.

Under the Agreements, the two loans, each worth Rs. 5.5 million, will be used for the purchase of newsprint and asbestos fibre.

The terms of both loans are similar to the previous Development Loan Agreements. There will be no interest payable on either loan. Repayments will be made semi-annually over a period of 40 years, following a ten-year grace period.

(The Ceylon High Commission, New Delhi)

[Prev. ref. 8395:CEY:H]

E. Trade Agreement With UAR: Representatives of Ceylon and UAR signed Letters in Colombo on February 21 relating to the exchange of commodities between the two countries in 1969. Trade between Ceylon and the United Arab Republic is expected to expand to the level of £8,000,000 in 1969.

Under the Letters exchanged, Ceylon expects to purchase, among others, raw cotton, cotton yarn, hosiery yarn, textiles, cement, ground phosphates and sugar.

The United Arab Republic expects to buy from Ceylon tea, rubber, coconut products, spices, graphite, tobacco etc. The bulk of the UAR purchases from Ceylon will be tea, expect to total £3 million.

(The Hindu, Madras)

CHINA

A. Warsaw Talks With USA Cancelled: The Foreign Ministry in Peking announced on February 18 that China would not participate in the talks with the United States scheduled in Warsaw for the following morning (February 19).

[The talks were to have marked a resumption of contacts between the Governments of the People's Republic of China and the United States. On November 26, 1968 China had proposed that a meeting be held on February 20 in Warsaw, one month after the President, Mr. Richard Nixon, had been in office. The statement issued by the Chinese Foreign Ministry had aroused interest because it publicly called on the US Government to join in an agreement on the Five Principles of peaceful co-existence]

A Ministry spokesman cited US role in the defection of Mr. Liao Ho-shu, the **Charge d'Affaires** in The Hague, as the reason for withdrawing from the talks, and called the defection a "grave anti-China incident deliberately engineered by USA in collusion with the Dutch Government."

Mr. Liao, he said, was incited to betray his country and carried off to USA by the American Central Intelligence Agency. "This undeniable crime against China committed by the US Government has aroused the boundless indignation of the entire Chinese people."

He said that he had been instructed to state formally that the Chinese Government "considers that in the current anti-China atmosphere which is solely created by the US Government, it is obviously most unsuitable to hold the 135th meeting of the Sino-US Ambassadorial talks on February 20 as scheduled."

He added that the acting **Charge d'Affaires** of the Chinese Embassy in Poland, Mr. Chen Tung, had already conveyed to the US Ambassador to Poland, Mr. Walter Stoessel, notification of the Chinese move by letter.

American Reaction:

In Washington, the American Secretary of State, Mr. William Rogers, declared that USA stood ready to meet China at any time and regretted Peking's action in calling off the Warsaw talks.

He disclosed that Mr. Stoessel had been instructed "to make or renew constructive suggestions." These included: "Consideration of an agreement on peaceful co-existence consistent with our treaty obligations in the area; the subject of exchange of (news) reporters, scholars, scientists and scientific information; and the regularization of postal and tele-communications problems."

He rejected China's charge that USA had created a grave anti-China incident by deliberately engineering the defection of Mr. Liao Ho-shu.

[The acting **Charge d'Affaires** in Holland, Mr. Liao Ho-shu, left his Embassy in The Hague and was granted permission to stay in Holland "for the time being" on January 25. The Dutch Justice Ministry said: "The **Charge d'Affaires ad interim** of the Chinese People's Republic, Liao Ho-shu, reported to the main police station in The Hague. He stated that he no longer wished to remain functioning and asked for permission to stay in the Netherlands for the time being. After this request had been met, he left The Hague." A few days later, American officers confirmed that he had sought asylum in the United States].

(The New York Times and **The Hindu,** Madras)

[Prev. ref. 8256:CHI:B]

B. Reported Top-level Military Conference In Peking: The Hungarian news agency, MTI, reported on February 11 that a top-level conference of military and civilian leaders was being held in a Peking suburb.

The news agency, in a despatch from its correspondent in Peking, said there were signs that the Chinese leaders might be preparing convocation shortly of the long-delayed ninth Congress of the Chinese Communist Party. (The Party's Central Committee had announced in October, 1968 that the national Congress, the first to be held since 1956, would be called during 1969.)

The report by **MTI's** correspondent, Karoly Patak, suggested that both the current top-level conference in Peking and the expected party Congress would seek to consolidate the leadership of the forces led by party Chairman, Mr. Mao Tse-tung following the 1967-68 Cultural Revolution.

The despatch said that the Mao leadership "has evidently decided that it is necessary to acquire the support of the most mature social force of the peasantry."

(The Hindu, Madras and **The Times,** London)

[Prev. ref. 8787:CHI:A]

C. Deployment Of Troops: According to news agency reports from Hong Kong, an extensive redeployment of troops was being carried out in China for reasons regarded by observers as political rather than military.

The Chinese authorities were thought to be transferring units which had not been moved for a long time, and were regarded as too involved with local factions and too sympathetic with the discontent felt by local populations. Some troops were being moved from the cities to enforce Maoist policies in the country-side. The re-dispositioning was sometimes from one part of a province to another, but in other instances involved transfers to distant provinces.

Information on the re-deployment came partly from broadcasts over provincial radio stations and partly from travellers arriving in Hong Kong from China, who had noted large troop movements along railway lines.

Kweichow Radio, in a broadcast on January 21, disclosed troop movements in that province when it called for "the warmest welcome for new People's Liberation Army units transferred into our province" in accordance with "the great strategic plan on the movement of troops drawn up by Chairman Mao, Vice-Chairman Lin, the party central, the central Cultural Revolution group, the State Council and the Central Military Affairs Commission".

(The New York Times)

[Prev. ref. 8504:CHI:A]

D. No Admission To UN: The UN General Assembly on November 19, 1968 rejected by 58 votes to 44 with 23 abstentions a new attempt to seat the Peking Government in UN and expel Formosa.

Last year the vote on a similar resolution had been 58 to 45 with 17 abstentions. The closest vote was 47-47 in 1965.

It was the 18th time in the past 19 years that the Assembly had voted on the China representation issue.

France, Britain and the Soviet Union voted in favour of the motion. USA opposed it.

The resolution was submitted jointly by Albania and Cambodia demanding the admission of China and the immediate expulsion of the Formosan delegation.

Earlier, the Assembly re-affirmed its seven-year-old ruling that the issue of Chinese representation must be subject to a two-thirds majority decision. The vote on an Australian-led resolution to that effect was 73 to 47 with five abstentions. Only one member, Indonesia, was absent.

The Assembly also rejected by 67 votes to 30 with 27 abstentions a move sponsored by Italy to appoint a committee to study the whole issue and report back to the Assembly. Last year, a similar motion was defeated by 57 votes to 32 with 30 abstentions. India voted against the Italian move, which was supported by USA.

(The New York Times)

[Prev. ref. 8124:CHI:J, 8714:AOA:E]

HONG KONG

A. Budget For 1969-70: In his Budget for 1969-70 presented to the Legislative Assembly on February 26, the Financial Secretary, Sir John Cowperthwaite, announced that Government spending would reach a record level of about £140 million in the year.

Revenue was due to be more than £145 million at existing tax rates.

However, Sir John proposed reductions in minor duties and a cut in primary school fees which will reduce the predicted surplus to just under £3.5 million.

Referring to the continued economic expansion of the Colony in spite of the political crisis created by the communists in 1967, he said: "It is extraordinary how an apparent setback acts as a spur to the people of Hong Kong."

While he suggested that Hong Kong might enjoy a much more adequate system of public assistance before long, the Budget did not indicate any changes in official priorities. Health, education, housing and social welfare account for some 44 per cent of total Government spending—the same proportion as last year.

In an earlier review of present problems in the Colony, the Governor, Sir David Trench, was not enthusiastic about the introduction of an ombudsman.

He also pointed to the obstacles in the way of adopting a full scheme of social security.

Trade Figures:

According to official trade statistics, exports of domestic products to the European Economic Community totalled HK$732 million as compared to HK$581 million in 1967.

The break-down is (1967 figures in brackets): West Germany—HK$499 million (HK$370 million); the Netherlands—HK$121 million (HK $109 million); Belgium and Luxembourg—HK$31 million (HK$26 million); France—HK$31 million (HK$26 million); and Italy—HK $48 million (HK$47 million).

Imports from China totalled HK $2,426 million in 1968—HK$147.52 million more than in 1967, but less than HK$2,739 million during 1966.

Trade figures and other indicators suggested that Hong Kong's trade and industry were heading for a substantial boom in the first part of 1969, provided that world trading activity would maintain its recent momentum.

Between June, 1967 and June, 1968, industrial establishments increased by about three per cent and the industrial work force by nine per cent; 350 new factories were set up and 38,000 new jobs were created during this period.

(The Times, London and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8580:HGK:A]

INDONESIA

A. First Five-Year Plan: Outlines of Indonesia's First Five-Year Plan were given by President Suharto on January 14 in his Address to the plenary session of Parliament.

The country, he said, would begin on April 1, 1969 simultaneously with the new fiscal year, its First Five-Year Plan at an estimated cost of 1,059,000 million rupiahs, which at the present conversion rate (about 500 rupiahs to a US dollar) will amount to $2,118 million.

The Plan, which would concentrate on food production and development of small industries, power and tele-communications was termed by President Suharto as "simple and pragmatic". No complex projects like a steel plant or aircraft production is contemplated in the First Plan.

The current Plan is tailored to "limited economy, to harmonise aspirations with reality". President Suharto said its objectives were to raise the living standard of the masses, to pay attention to current capabilities while adhering firmly to long-term projects and to lay a strong foundation for subsequent Five-Year Plans. He said that "with some reservations I can say that our economy at present already shows stability in strategic sectors."

The appropriations for the various sectors are as follows (in rupiahs): agriculture and irrigation— 319,000 million; industry and mining—130,000 million, electricity—100,000 million; communications and tourism—230,000 million; rural development —50,000 million; health—42,000 million; education and culture—95,000 million; other social welfare projects—35,000 million; defence and security—28,000 million and miscellaneous projects—30,000 million.

Plan Priorities:

The Chairman of the National Planning Body (BAPPENAS), Prof. Widjojo Nitsastro, who has been the leading economic adviser to President Suharto and to whom much credit can be given for successful planning, said the Plan put top priority on rice production.

He estimated that under the Plan, the current rice production of 10.52 million tons a year would rise to 15.42 million tons in 1974. Land under rice would rice from 7.6 million hectacres to 9.3 million hectacres. Land and water resources would be preserved and priority would also be given for repair and modernization of irrigation systems. Though production of fertilizer would be increased at the three factories, the Government would also increase the fertilizer import from the current $33 million to $111 million by 1974.

The Plan saw no future for rubber which is so far one of the important primary products of the country. Production of palm oil, on the other hand, would be increased from 41,000 tons to 68,000 tons Among the other targets were tea—from 46,000 tons to 50,000 tons; fish—from 1,423 million tons to 1,696 million tons; cement—from 515,000 tons to 1,650,000 tons; textiles—from 300 million metres to 900 million metres; and paper—from 10,000 tons to 66,000 tons by 1974.

Petroleum crude oil, which is the greatest foreign exchange earner for Indonesia, would continue to dominate the economy. Off-shore oil also would be exploited. Tin production would be increased. Among other minerals, though the production of nickel and bauxite would rise only slowly, because of the time required to explore them, increased production of these two was anticipated in the Plan.

Electric power would be increased considerably with the expansion of the Djatiluhur Power Plant and the addition of smaller units throughout Indonesia. About 11,000 kilometres of road would be reconstructed and 6,000 kilometres upgraded during the next five years throughout the Republic. The railway system would be rehabilitated entirely—the permanent way bridges, locomotives and railway cars. Dredging of ports and modernization of airports would be done, but not too ambitiously. Domestic air service would be given priority over international flights. Tele-communications, with more automatic exchanges, and tourist facilities in Bali and Java would be improved.

As the Plan is tailored essentially for the masses who are 70 per cent agricultural, rural development is given great attention. Each village would be offered 100,000 rupiahs for repairs of roads and village facilities.

To finance the Five-Year Plan, the Government will provide a portion from its revenues and rely mostly on loans from banks, local and foreign capital investments and reinvestments of foreign capital.

Indonesia, which asked for and got $200 million in foreign credits for the first year after the fall of Dr. Sukarno, got the next year $310 million and this year would get about $500 million. Though the Government has to lean rather heavily on foreign aid for the import of foreign goods for development, it is not likely to encounter much difficulty in realising them. On its part Indonesia too is trying to diversify its production, minimize the imports of essential goods by local production and utilize the resources of the armed forces for development schemes.

Foreign Investment In Forest Lands:

Meanwhile, a total of 8,605,000 hectares of forest lands has been committed to foreign capital investors.

The specifications are as follows: France: 4 companies with 4 operational units; USA: 5 companies with 5 operational units; Holland: 1 company with one operational unit; Britain: 2 companies with 2 units; the Philippines: 10 companies with 15 units; South Korea: 3 companies with 5 units. Hong Kong: 20 companies with 2 units; Japan: 10 companies with 12 units; Singapore: 3 is now a total of 47 companies sia: 7 companies with 8 units. There is now a total of 47 companies operating 57 units.

The total foreign capital to be invested is $393,700,000. Of the total, $125 million will be invested in 1969-73.

(**The Hindu,** Madras and **Antara**)

[Prev. ref. 8116:IND:A]

B. New Minister Of Interior: Maj-Gen. Amir Machmud of the Fifth Military Area (Greater Djakarta) was named in the last week of January as Minister of the Interior to fill the vacancy caused by the death of Lt.-Gen. Basuki Rachmat in mid-January (see page 8799).

A staunch supporter of the 1945 Constitution and the President, Maj-Gen. Machmud was described by Djakarta reports as a distinctive representative of the New Order and the Army.

It was Maj-Gen. Machmud together with two other Major-Generals (Basuki Rachmat and Jusuf, now Minister of Industry) who "convinced" ex-President Sukarno by **musjawarah** (deliberations) and "soft power" to transfer at least a considerable part of his power to Gen. Suharto, thus paving the way to the March 11, 1966 order for a constitutional solution to the problems arising from the September 30, 1965 **coup.**

(**The Hindu,** Madras and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8799:IND:A]

C. Curbs On Indians Lifted: In a decision made public on January 29, President Suharto lifted restrictions imposed by the former President, Gen. Sukarno, on 25,000 Indian citizens living in Indonesia.

President Suharto waived the regulations calling for the freezing of transactions involving companies and fixed assets owned by Indians.

The curbs had been imposed by the former **regime** as a gesture of sympathy with Pakistan during the Indo-Pakistan conflict.

(**The Hindu,** Madras)

[Prev. ref. 7312:INI:A]

D. Alleged Massacre Of Communists In Kuwu: The Deputy Chairman of the Human Rights Institution, Mr. H. J. C. Princen charged on February 26 that troops had massacred more than 800 alleged communists in Kuwu district (in Central Java), in December, 1968.

Mr. Princen said in an interview published by the student newspaper, **Karri,** that the troops had killed their victims by hitting them with iron bars.

He said that on a tour of West Java, he learned that one man had screamed out: "I am not dead yet," while soldiers beat him.

Mr. Princen said that the massacre had followed a two months' round-up of alleged Communists who were put into detention camps at Purwodadi (40 miles from Semarang), Gundi (15 miles from Purwodadi) and Kuwu town (60 miles from Semarang). He named Capt. Tedjo Sarwono as leader of the troops who made the arrests.

(**The Statesman,** Calcutta and **The Hindustan Times,** New Delhi)

[Prev. ref. 8583:IND:A]

E. **Australian Aid:** According to a Canberra report put out by the Antara news agency, Australian aid to Indonesia in 1968-69 will total $12,700,000—more than double the amount of aid in 1967-68. Of this, $10,700,000 will be under the Bonus Exports Scheme and $2,000,000 under the Colombo Plan.

During 1967-68, Australian aid to Indonesia amounted to almost $6,000,000, bringing the total at June 30, 1968 to $21,800,000.

This assistance was part of an expanding Australian international aid programme which in 1968-69 will total $155,000,000—an increase on the preceding year of 11 per cent—and will represent a contribution for the year of nearly $13 for each Australian.

Excluding Papua and New Guinea, Australia will spend on its aid programme which in 1968-69 will than $56,000,000—a rise of 16 per cent on 1967-68. Of this total, about $41,000,000 will be spent through bilateral aid programmes directed predominantly to Asian countries.

(Antara)

[Prev. ref. 8446:IND:B]

F. **Japan To Supply Chemical Fertilizer:** Japan will supply Indonesia 900,000 metric tons of chemical fertilizer over a period of three years, starting this year.

The Japan Ammonium Sulphate Industry Association recently signed an Agreement with the Indonesian Government, under which Japan will export 200,000 tons in the initial year, 300,000 tons in 1970 400,000 tons in 1971.

(Antara)

[Prev. ref. 8402:IND:A]

G. **Earthquake:** The news agency Antara reported on February 26 that an earthquake accompanied by huge waves had destroyed the town of Madjene in the Celebes.

A telegram from the Military Commander of the area sent to Macassar, the capital of the south Celebes, said that only 20 people out of an estimated population of 20,000 had been killed.

Madjene is situated in an exposed corner on the western side of the islands. People living near the coast at Macassar, 250 miles to the south, said that they had heard a rumbling noise from the sea, followed by big waves and earth tremors.

Macassar itself was not damaged, but smaller towns and villages along the western coast were thought to have been damaged.

Relief teams of Red Cross workers rushed to the area with medicine, food and clothing.

(**The Times,** London)

IRAN

A. **Oil Output:** Figures released by the Iranian Oil Operating Companies (IOOC) show that actual crude production in 1968 fell far short of the Government's demand.

Production for 1968, as announced by the IOOC, averaged 2,704,000 barrels a day against 2,467,000 barrels achieved in 1967. This meant a production increase of 9.6 per cent.

Informed sources said that IOOC had decided after talks with Iranian officials to directly link oil revenues with the Fourth Plan by basing payments to the Government according to the Iranian year and not the Western calendar.

IOOC had reportedly calculated payments to the Government for the current (Iranian) year ending March 21, 1969 as $865 million—$153 million more than the previous year. This increase in revenue was to come through four basic means—through an increase in production and export of light crude and heavier-gravity oil, an increase in production and export of Abadan Refinery products, and elimination of a one per cent royalty discount that Iran had been granting the oil companies.

Production figures for 1968, however, showed that actual production had achieved a 9.6 per cent growth rate and exports of crude had increased by 9.5 per cent. This meant that IOOC hoped to bridge the gap by an increase in the production and export of Abadan Refinery products and through the elimination of the one per cent royalty discount. But it still seemed difficult how IOOC would achieve the $865 million mark through these two means, when actual production figures showed an increase of only 9.6 per cent.

Revenue For Fourth Plan Assured: Tehran reports, quoting highly placed sources, said on January 26 that IOOC had guaranteed Iran the revenue she would need for her Fourth Plan.

The sources said that the Treasury would receive around $850 million in oil revenues from the operating companies for the current Iranian year ending March 21, 1969 despite an increase in crude production of only 9.6 per cent in 1968 over the 1967 figure. (Iran had demanded that production be increased by 16.8 per cent annually during the five years of the Fourth Plan, which began on March 21, 1968).

The sources confirmed that the revenues would meet Iran's demands through four basic measures agreed upon in 1968 following prolonged negotiations between the Government and the operating companies.

The sources added that agreement had been reached in principle that oil revenues for the Iranian year 1348 (beginnin on March 21, 1969) should be around $1,000 million—a 17.7 per cent increase over the 1960 figure.

(**Kayhan International,** Tehran)

[Prev. ref. 7484:IRN:C, 8511:IRN:A]

B. **Opium Smugglers Released:** The Minister of Justice, Mr. Manuchehr Partou, said on February 17 that about 3,000 opium smugglers would be released from prison.

The fate of an equal number of people, who were in gaol for similar offences, was yet to be decided.

Mr. Partou told newsmen that under an Amnesty Bill now being discussed by Parliament, those people who continued to smuggle opium, heroin or morphine into the country or tried to make them would face trial by military courts and the death sentence if found guilty. Any one found with more than five kg of opium or 25 gms of heroin would also be liable to capital punishment.

The Amnesty Bill was a sequel to a Government decision in January to lift the 13-year-old ban on poppy cultivation on the ground that Iran's neighbours, Turkey and Afghanistan, had failed to ban poppy cultivation and thus had become a source of supply of opium to Iran.

This decision had been criticized by United Nations and a number of countries.

He said that pardons generally would be given to people who had been agents or victims of big men in the smuggling underworld. Those affected by the new Bill would risk "the highest possible sentence" if they were found guilty of smuggling, peddling, or possessing narcotics after release.

(**The Times,** London)

IRAQ

A. More Executions Of Spies: The Government executed on February 20 seven more men accused of spying for Israel and strung up their bodies for public display in Baghdad.

It was the second time in less than a month that bodies of convicted spies were left to hang in the capital's Liberation Square.

There were world-wide protests when 14 men—nine of them Iraqi Jews—were executed and displayed in this way in Baghdad and Basra on January 27.

Baghdad Radio announced that three soldiers and four civilians—none apparently Jewish—had been executed after being found guilty of supplying Israel with military information on Russian-made tanks in the Baghdad Rashid Camp and about the Air Force.

The names of the dead men given by the **Radio** indicated that they were Arabs and that no Jews were executed on this occasion.

It said that the four soldiers were shot by a firing squad at Salman park, south of Baghdad, and the civilians were hanged in Baghdad central prison.

A fifth soldier, Qassim Kate' al-Lami, was reprieved by President Ahmed Hassan Bakr and his death sentence commuted to life imprisonment "as he helped the authorities to uncover the espionage ring."

There was no mention of jubilation or of crowds massing in the Square to see the bodies as was the case on January 27.

(**The Baghdad Observer** and **Baghdad Radio**)

[Prev. ref. 8801:ISR:A]

JAPAN

A. Mr. E. Sato Rules Out Regional Military Alliances: The Prime Minister, Mr. Eisako Sato said in the Diet on February 6 that Japan could not become a party to any military alliance under its present war-renouncing Constitution.

He also told the House of Representatives' Budget Committee that Japan would refuse to join a Pacific and Asian Troop Organization (PATO) which, according to reports, was being planned by South Korea, (see page 8828) even if it should ask Japan to join it.

Supplementing Mr. Sato's reply, the Foreign Minister, Mr. Kiichi Aiichi said: "I always keep in touch with the Korean Government but it has not made such a proposal to Japan."

He dismissed a charge by a Socialist interpellator, Mr. Kanji Kawasapi, that South Korea, the Philippines, Thailand, Malaysia and Taiwan, all members of the Asian and Pacific Council (ASPAC) wanted to turn the consultative council into a military alliance.

(**The Japan Times,** Tokyo)

[Prev. ref. 8828:KRS:A]

B. Relations With China: On February 3, Mr. Sato regretted that Japan was only maintaining private trade relations with China, a neighbouring country with which Japan had a long history of contacts.

At the present moment, he said, he was endeavouring to settle the problem concerning 13 Japanese nationals who had been detained in that country for more than one year on espionage charges. The only way possible to improve relations with China would be to restore China's confidence in Japan step by step.

He said Japan and USA had a clearly different attitude towards China in that Japan dealt with China under the policy of separating politics from economics and had concluded an International Treaty with Formosa, while USA only recognized the Chiang Kai-shek Government.

(**The Japan Times,** Tokyo)

[Prev.ref. 8825:JAP:A]

C. Air Services With China: On February 13, the Foreign Ministry, quoting a statement by Mr. Kiichi Aiichi to his officials, said that direct flights between Japan and China might become possible for the first time since the communists took over on the mainland.

So far there had been no approach from China, according to the Ministry, but there would be "no objection" in principle by Japan to direct flights between the Capitals of the two countries. For example, an arrangement might be made, on an unofficial basis so far as Japan was concerned, to fly a Chinese ballet company from Peking to Tokyo.

This new twist in Japanese policy towards China came on the heels of a Soviet-Japanese aviation arrangement, embodied in a memorandum signed in Tokyo the same day (February 13) under which Japan Air Lines (JAL) will be allowed to fly its own DC-8s, manned by JAL pilots and staff, across Siberia to Moscow.

(**The Japan Times,** Tokyo, **The New York Times** and **The Times,** London)

[Prev. ref. 8363:JAP:C]

D. Indo-Japan Consultative Committee Meeting: The Indo-Japan Consultative Committee held its fourth meeting in Tokyo from February 3 to 5.

The Japanese delegation to the talks was led by the Deputy Foreign Vice-Minister, Mr. Shinichi Kondo, and the Indian team was headed by the Foreign Secretary, Mr. T. N. Kaul.

The two sides exchanged views notably on bilateral relations between the two countries, particularly economic co-operation and trade expansion.

A joint **communique** issued on February 5 said the two delegations were in basic agreement that exchanges between India and Japan should take place at every level and sector.

The **communique** said that among subjects discussed at the meeting was the current situation in Asia.

(**The Japan Times,** Tokyo and **The Hindu,** Madras)

[Prev. ref. 8646:INI:B]

E. Re-scheduling Of Credit: An Agreement was signed in Tokyo on February 5 between India and the Japanese Export-Import Bank that gave India debt relief for an amount of $3.25 million (about Rs. 2 crores).

With this, Japan completed debt re-scheduling of the previously agreed amount of $17 million for the current fiscal year.

On February 14, India signed a new Agreement with the Japanese Government and the Export-Import Bank that immediately made available to India a fresh commodity loan amounting to $28.17 million (Rs. 21.12 crores).

With this loan, Japan completed its commitment of $45 million (Rs. 33.75 crores) yen credit to India under the Aid-India Consortium decision of May, 1968.

The latest 5¼ per cent loan will bear interest at quarter per cent less than the previous rate.

The credit is to be used entirely in Japan mainly to finance purchase of chemical fertilizers and raw materials and components needed for Indo-Japanese joint ventures in India.

(The Japan Times, Tokyo)

[Prev. ref. 7922:JAP:A]

F. Manganese Contract: On February 15, India signed a contract valued at $3.17 million to supply 300,000 tons of ferruginous manganese to a group of nine Japanese steel mills.

Of the contracted quantity, 30,000 tons are optional and 270,000 tons are firm contract. The entire quantity will be supplied by March, 1970.

(The Japan Times, Tokyo and **The Hindu,** Madras)

[Prev. ref. 8646:INI:B]

G. Plane Crash: An Air Self-Defence Force F104J jet fighter crashed in a densely populated section of Kanazawa on February 8, killing four residents and destroying 14 houses in a subsequent fire.

Fifteen other houses were damaged.

First reports indicated that the jet fighter was struck by lightning and went out of control while flying over the city.

The pilot, First-Lt. Miteru Tate, (30) of the ASDF Sixth Wing based at Komatsu Base, bailed out safely.

(The Japan Times, Tokyo)

[Prev. ref. 7013:JAP:C, 7073:JAP:H]

H. JSP Convention: The 32nd extraordinary Convention of the Japan Socialist Party (JSP) was held in Tokyo in the fourth week of January. It ended on January 25 with a declaration calling for an all-out struggle against the Japan-US Security Treaty.

The declaration also urged Socialists to do their utmost to modernize their party.

The Convention had been called to plan measures designed to restore unity in the Party and lay a solid foundation for the Party which had suffered a major election defeat in July, 1968.

The outcome of the Convention, however, indicated that the main Opposition party was still divided over key issues, particularly foreign policy matters.

The Convention adopted 19 resolutions, including those calling for the removal of B-52 bombers from Okinawa and opposing the proposed fare increase for the Japanese National Railways (JNR) and 2500-man increase for the riot police.

One resolution concerned the proposal that JSP should decide before June, 1969 whether it would oppose the scheduled holding of the World Exposition in Osaka in 1970.

(The Japan Times, Tokyo)

[Prev. ref. 8635:JAP:A]

I. Komeito Convention: A two-day convention of Komeito held in Tokyo in the fourth week of January approved a plan to conduct a "conditional campaign" against the Japan-US Security Treaty.

The plan called for removal of US bases in Japan as a pre-requisite to the gradual phase-out of the Japan-US Security Treaty and normalization of diplomatic relations with China.

It also envisaged the establishment of a United Nations Headquarters in Asia.

It approved six proposals including the action policy for 1969, which called on the party to prepare for a General Election this year.

Mr. Yoshikatsu Takeiri, Chairman, was re-elected to the post. He told a news conference later that his party would force the Government to call an election for the House of Representatives in April, 1969. The election should be held to seek popular mandate over major issues facing the country, including the Security Treaty and Okinawa.

The convention named 75 candidates who would run in the next General Election on the party ticket.

[Komeito's policy of "conditional" campaign against the Security Treaty is based on the belief that "automatic extension" of the Security Treaty in 1970—meaning that neither signatory needs to take any action at all to continue the pact—is inevitable. The party's basic position is that the Security Treaty should be phased out after 1970 on a gradual basis while Japan's friendly relations with the USA are maintained.]

(The Japan Times, Tokyo)

[Prev. ref. 7886:JAP:F]

J. Anti-US Demonstrations: Ten Left-wing students, armed with staves, forced their way into the heavily guarded US Embassy in Tokyo on February 3 and hung out anti-American slogans.

A force of about 200 riot police rounded up the students on the roof of the building, close to the main chancery office, after a scuffle in which some students brandished iron pipes.

According to an Embassy spokesman, there had been probably no incident of comparable importance involving the American Embassy in Tokyo in the past ten years, not even in the riots of 1960.

After the incident, Mr. Nobuhiko Ushiba, the Deputy Foreign Minister, at once went to the Embassy to apologize, and there was a second apology by Mr. Shigeru Hori, spokesman for the Prime Minister, Mr. Eisaku Sato.

In Okinawa, students at the three universities went on strike to protest against the American use of the island for B-52 bombers.

(The Times, London)

[Prev. ref. 8802:JAP:A]

K. Development Of Trade With Soviet Union—Resolution By Chamber Of Commerce: The Japan Chamber of Commerce and Industry adopted a resolution recently calling for development of Japan-Soviet inter-coastal trade across the Japan Sea by "various means," including relaxation of Japan's export and import restrictions.

The trans-Japan Sea inter-coastal trade between the two nations steadily developed in the past several years—last year it reached an annual total of $13,040,000 in value—$6,070,000 in exports and $6,970,000 in imports.

This kind of private-level Japan-Soviet commerce, apart from the annual Government-negotiated regular trade, has proved to be increasingly important to Japanese Prefectures situated along the Japan Sea coast.

The resolution reflected the strong wishes of local chambers of commerce and industry in these Prefectures.

Various ways suggested in the resolution for stepping up the trade included:

(1) Opening of regular shipping services between Japanese ports along the Japan Sea and the Soviet Far Eastern and Sakhalin ports, co-operation in the improvement and expansion of the port of Nakhodka, and opening of a regular airline service between Niigata and Khabarovsk;

(2) Expansion of Russian purchases of consumer goods from such Japanese Prefectures and development of joint industrial ventures by industries in these Prefectures with their Soviet counterparts;

(3) Translating into concrete form the Russian concept of this type of trade with Japan;

(4) Intensification of commercial activities of the Japanese Embassy at Moscow and the Japanese Consulate at Nakhodka and the opening of an office of the Japan External Trade Organization (JETRO) at Nakhodka or other key Soviet Far Eastern cities; and

(5) Relaxation of Japan's remaining import controls on fishery products and of the US-led Cocome (Co-ordinating Committee on Export Control against the Communist Bloc) control through diplomatic efforts.

(The Japan Times, Tokyo)

[Prev. ref. 8363:JAP:C, 8440:JAP:D]

L. Air Agreement With USSR: Japan and the Soviet Union signed on February 13 an Agreement which would open Siberia to a foreign airline.

The Pact, to take effect by the end of March, 1970, provides for independent carrier-operations via Siberia by Japan Air Lines and the Soviet Union's Aeroflot, which have been jointly operating a weekly Tokyo-Moscow service since April, 1967.

As soon as a change-over is made to independent flights, the two carriers will be able to extend their flights to three points beyond Moscow and Tokyo. Japan is considering Paris, London and one other European city, by way of Moscow. The service would begin in the Spring of next year and use DC-8 jetliners.

The present service employs TU-114 turbo-prop planes flown by Russian pilots and staffed by Japanese stewardesses. When the arrangement was set up two years ago, the Russians had said that for military reasons they could not permit Japanese planes to fly across Siberia.

The Siberian route offers the quickest means of travel from Japan to Europe. It takes 18½ hours to fly from Tokyo to Paris via the North Pole route, while the time required via the Siberian route is 15 hours and 10 minutes, even if the slow TU-114 turbo-prop is used.

Because of the time-saving, the current joint flights are quite popular in Japan. The passenger average of these flights last year was 64.4 per cent of capacity as compared with 55 per cent on the trans-Pacific route.

If Japan Air Lines uses DC-8s on the Tokyo-Moscow-Paris route, the time can be reduced to 13½ hours, and it is considered certain that this will become the airline's main route to Europe.

Japan and the Soviet Union also agreed to add a flight to the present once-a-week joint service. This would be done by chartering IL-62 jetliners.

(The Japan Times, Tokyo and **The New York Times)**

[Prev. ref. 8363:JAP:C, 8440:JAP:D]

JORDAN

A. Palestine Red Crescent Society Formed: The Palestine Liberation Movement, El Fatah, announced in Amman on January 26 the formation of a Palestine Red Crescent Society to "provide medical and humanitarian services to the Palestine people."

A statement by the commando organization said the Society will also shoulder its responsibilities in the local and international spheres towards Palestinian Arab detainees and prisoners in the occupied lands.

The Society held its founding meeting in Amman on January 18 in the presence of 52 members. Its newly-elected Executive Bureau urged all Red Cross and Red Crescent societies in the world to give facilities to help the new Society carry out its mission.

(The Baghdad Observer)

KOREA (South)

A. Alleged Spies Released: The Prosecutor's Office in Seoul announced on February 25 the release of composer Yun I-Sang who had been kidnapped from West Germany in 1967 by South Korean agents and later jailed for spying.

[Seventeen South Koreans living in West Germany were taken home by South Korean special agents without Bonn's knowledge and were put on trial in Seoul. Two were sentenced to death. West Germany demanded the return of all the Koreans].

The announcement said that Mr. Yun (51) who was convicted in December, 1968 of spying for North Korea and sentenced to 10 years' imprisonment, was released on February 24 on health grounds.

A miner, Kim Sung Chil (34), who was also taken from West Germany and sentenced to 3½ years, was released at the same time as Mr. Yun, also because of poor health.

On March 9, two more Koreans, both convicted of espionage activities, were released with their prison terms suspended for health reasons. They were Lee Ung Ro (65), a painter from Paris, and Chung Kil (29), a former University student in West Germany.

Their release brought to six the number of prisoners in the case, all former residents of West Germany and France, who had been freed since a West German envoy, Mr. Paul Frank, visited Seoul in January to win their release.

Double Agent Arrested:

Meanwhile, according to the South Korean Central Intelligence Agency, a North Korean journalist who fled south in 1967 was really an agent disguised as a defector (see page 7691).

It disclosed on February 13 that Mr. Soo-keun Lee, former Vice-President of the North Korean central news agency, had been arrested while on his way to Cambodia in January with a forged passport.

Mr. Lee had been regarded as an important defector when he sought asylum at the armistice village of Panmunjom in March, 1967. He had been given a reward of 1 million hwan (then worth £1,333) and a house.

(The New York Times)

[Prev. ref. 7691:KRS:A, 8498:KRS:A]

KUWAIT

A. Boycott Of Israeli Oil Pipeline Users: The Arab League Economic Council, meeting in Cairo in the fourth week of January, decided to boycott international oil companies that plan to use the Israeli Eilat-Ashkelon pipeline.

The resolution, adopted unanimously, said: "Arab countries should boycott any international oil company which uses the Israeli pipeline."

Meanwhile, the Council endorsed the projected Egyptian Suez-Alexandria oil pipeline as "an appropriate competitive project to the Israeli pipeline."

The Council meeting was attended by representatives of all 14 member-countries of the Arab League including Saudi Arabia, Libya and Kuwait.

(The Egyptian Gazette, Cairo)

[Prev. ref. 8277:ISR:E]

LEBANON

A. Amnesty To PPS Prisoners: Parliament recently approved legislation under which 90 leaders and followers of the Syrian People's Party (PPS), sentenced in Beirut to long terms in prison following the abortive putsch of December 31, 1961, will be released.

The first Amnesty Bill passed in December, 1968 was not signed by the President because that Bill would have also pardoned officers participating in the **putsch** and a number of criminals. Parliament then passed a new version.

Apart from the imprisoned party men, the amnesty covered a number of PPS followers sentenced **in absentia** and some people sentenced for their part in riots that broke out during the Beirut demonstrations one day after the cease-fire in the June, 1967 Arab-Israel war.

PPS, advocating a greater Syrian State, is outlawed in Lebanon.

(**The Statesman,** Calcutta)

MALAYSIA

A. Mid-term **Review Of First** Plan: An unexpected increase in exports was a major factor in the rise of Malaysia's gross national product at the rate of 6.7 per cent annually during the past three years, according to the mid-term review of the First Plan (1966-70) issued on February 1.

The review said that the volume of exports grew by 7.6 per cent a year. This was more than five times the rate projected in the Plan for 1966-68. The higher export volume reflected the Plan's under-estimation of the growth potential of several commodities, notably palm oil, timber and tin.

Production for the domestic market expanded by 5.7 per cent a year. "As a result, the volume of output or GNP at constant prices rose by 6.7 per cent a year between 1965 and 1968, 2.2 percentage points higher than the rate envisaged in the Plan and 0.5 point higher than the rate achieved during 1961-65."

Economic progress during the three years under review was encouraging despite the sharp decline in rubber and oil palm prices.

Adjusting for price changes, the total real income accruing to Malaysians grew at an average annual rate of 4.1 per cent. After providing for population growth of about 3 per cent annually, real income **per** capita rose by over one per cent, as compared with 0.5 per cent projected in the Plan.

The economic integration of the country was also substantially advanced in the planning, tariff and tax fields.

Gross investment expanded by 3.1 per cent annually between 1965 and 1968 compared with the Plan target of 4.2 per cent.

Gross national savings expanded by 0.8 per cent a year, though the trend of savings was uneven during the period reviewed. After a decline between 1966 and 1967, savings rose substantially last year.

A far less volume of foreign resources, however, was attracted than envisaged in the Plan, which projected that some Rs. 82.96 crores net would be drawn to Malaysia last year.

The review said that an accelerated economic growth would certainly necessitate more rapid growth of imports of capital. Public development expenditure during the period was estimated at Rs. 612.2 crores—55 per cent of the five-year Plan target.

Allocation of the expenditure was concentrated on projects designed to increase productivity and investment in primary and secondary industries. Projects in support of agricultural and industrial development, therefore, accounted for one-third of public development expenditure.

Rubber would continue to be the country's main export earner for some time, but a lower earnings yield was envisaged by the Plan because of lower prices. There would also be a small short-fall in output growth because the re-planting of rubber estates with oil palm had been more rapid than expected.

A decline in tin production was anticipated, and the decline would be higher than originally foreseen.

The review stated: "In the longer term, there is evidence that off-shore prospecting which is now being initiated will lead to a new boost in production."

A sustained demand at higher prices for tropical timber could be anticipated because of a rising world **per capita** income. In view of the industry's demonstrated capacity to respond vigorously to this demand, timber production was expected to show "strength for both round and sawn timber."

The main contribution to national output would come from production for domestic use. Between 1961 and 1967, the volume of production for the domestic market expanded by 8.2 per cent annually. The annual increase in the volume of national output was expected to average 5.5 per cent in 1969.

It said: "As the country looks to the immediate future, there is every reason to believe that existing capacity and the inherent natural and human resources of the economy be more fully exploited."

Central to the country are development plans was the exploitation of millions of acres of new land. Of 16,000,000 acres of cultivable land, only about seven million acres were now being used. Considerable inroads would be made into the remaining 9,000,000 acres during the next two decades. The Federal and State Governments would work closely to ensure the speedy alienation of land to private enterprise, both local and foreign.

Other important elements of long-term development strategy which will be emphasized are: intensification of research on primary commodities; exploitation of Malaysia's substantial potentials for forestry and timber-based industries; expansion of foreign exchange earnings from export commodities and services such as tourism; improved means of channelling savings into productive investment.

(**The Malaysian High Commission,** New Delhi)

[Prev. ref. 8806:MAL:A]

B. **British Offer To Supply Fighter Aircraft:** Britain made a two-step proposal on February 13 to help Malaysia strengthen her Air Force by 1971.

The proposal was a response to an offer by the Prime Minister, Tengku Abdul Rehman to buy British jump-jet Harrier fighters provided the Royal Air Force remained in Labuan until 1971.

The British offer was first to supply six Hunter ground-attack fighters and two Hunter trainers; and second to supply 12 Harriers and two Harrier trainers—all to be fully operational by 1971.

These proposals were submitted by General Sir Michael Carver, the Commander-in-Chief, Far East, when he met the Tengku in Kuala Lumpur.

At a news conference later, the General said that the Malaysian Government was considering the proposals, which would "go a long way" to improve the Malaysian Air Force by 1971.

He emphasized that it would not be in Malaysia's interest to plunge hurriedly into buying sophisticated aircraft such as the French Mirage. "The combination of the Hunter and the Harrier is a cheaper solution and will meet Malaysia's requirements to have her own Air Force capability by 1971."

On stationing the Royal Air Force in Labuan until 1971, he said that he did not "see any military threat which would justify our aircraft returning to Labuan. There has been no strike aircraft at Labuan since the end of confrontation. In any case, we can at very short notice send aircraft from Singapore to Labuan or re-inforce Singapore and Labuan from London—as we have shown in exercise."

(The Times, London)

[Prev. ref. 8499:MAL:A]

PAKISTAN

A. Oil Exploration Agreement With American Firm: Representatives of the Government and the American International Oil Company finalized in Islamabad on February 6 an Agreement for oil exploration and prospecting in Pakistan by the company.

The text of the Agreement and related documents were initialled by the representatives of both sides. The formal Agreement will be signed later.

American International Oil will begin its operations during the current year.

[Pakistan had during the 'fifties entered into a number of oil exploration agreements with different countries. However, the interest of Western oil companies slackened as they found no oil and there had not been much exploration activity by them since 1960. The main effort during the last decade had been made by the Government of Pakistan itself through the Oil and Gas Development Corporation with the assistance of the Soviet Union. Negotiations were also going on with a number of other foreign oil companies and agreements were likely to be concluded with them during the current year.]

(The Pakistan Times, Lahore)

[Prev. ref. 4087:PAK:A, 4255:PAK:B]

B. Economic Co-operation With Indonesia: A meeting of the Ministerial Council of the Indonesia-Pakistan Economic and Cultural Co-operation Organization was held in Islamabad on February 25 and 26.

At the meeting, representatives of both countries pledged themselves to further strengthen "by all practical and feasible means their special relationship brought about through the Organization."

A **communique** issued at the end of the meeting (which was attended by the Foreign Ministers of the two countries) said they had discussed Kashmir, Viet-Nam and the West Asia crisis.

According to the **communique,** the Pakistan Foreign Minister, Mr. Arshad Husain, explained Pakistan's stand on disputes with India and explained the lack of progress in settlement of any issue. His Indonesian counterpart, Mr. Adam Malik, hoped that all disputes between India and Pakistan would be settled peacefully and on a just and honourable basis.

Regarding Viet-Nam, the two Ministers agreed that peace must be based on the will of the people themselves without outside interference.

They re-affirmed their support for a solution of the West Asia crisis on the basis of the November 22, 1967 resolution of the UN Security Council.

Endorsing the recommendations of the Economic Council, the Ministerial Council asked the two Governments to explore all possibilities of increasing trade between Indonesia and Pakistan on the basis of lists of commodities exchanged during the meeting.

The next meeting of the Council will be held in the first week of February, 1970. It will be preceded by meetings at committee levels in the last week of January.

(The Pakistan Times, Lahore)

[Prev. ref. 7784:IND:C]

C. Agricultural Co-operation Pact With West Germany: An Agreement on agricultural co-operation between Pakistan and West Germany was signed in Islamabad recently.

The Agreement is an extension of and supplementary to the Pakistan-West German Agreement of November 21, 1959 regarding the co-operative farm in Multan for another three years.

The model farm at Chak Faiz will now become the centre of 26 co-operative villages. It will function as a research institute as well as an advisory body to agriculturists.

(Pakistan High Commission,
New Delhi)

[Prev. ref. 8641:PAK:B]

D. Loan Agreement With USSR: An Agreement providing for a loan of 19,000,000 roubles for economic and technical assistance to Pakistan in the search and prospecting for oil and gas was signed in Islamabad recently between the Governments of USSR and Pakistan.

This loan, like the earlier loan on co-operation in search and prospecting for oil, is repayable in 12 years and would bear an annual interest of 2½ per cent. The credit is entirely re-payable through export of Pakistani goods.

USSR had extended to Pakistan a loan of $30,000,000 for oil and gas prospecting in 1961. The previous loan has been utilized.

The current loan extends the technical and economic co-operation between the two countries in this important field.

(Pakistan High Commission,
New Delhi)

[Prev. ref. 8486:PAK:E]

SAUDI ARABIA

A. Foreign Investment Regulations: According to a recent Royal Decree enforcing the Foreign Capital Investment Regulation, foreign capital will be entitled to the following benefits provided that capital is invested in economic development projects excluding projects of petroleum or mining industry:

(1) All privileges enjoyed by national capital under the National Industries Protection and Encouragement Regulation.

(2) Exemption from income and company taxes for a period of five years from the date of commencing production provided that participation of national capital in the project shall not be less than 25 per cent of the total capital and that such participation shall be maintained throughout the period of exemption.

(Far East Trade, London)

[Prev. ref. 8598:SUA:A]

SINGAPORE

A. Air Agreement With USSR: The Soviet Union's Minister for Civil Aviation, Mr. E. F. Loginov signed an Agreement on February 15 with his Singapore counterpart, Mr. Yong Nyuk Lin, paving the way for operating commercial air services between the two countries.

Describing the Agreement as "an important event". Mr. Loginov said it would mark further development of relations between his country and Singapore.

(**Straits Times**, Singapore)

SOUTH ARABIAN FEDERATION

A. **Development Of Dubai:** Plans for developing the Arab Gulf Sheikhdom of Dubai into a major sea and air link between East and West were announced in London on January 22.

A year ago the Ruler, Sheikh Rashid bin Said al-Maktoum, had signed a contract for Costain civil engineering of London to construct four berths at Port Rashid at a cost of $9,400,000. Now, his chief aide, Mahdi al-Tajir, who is also Director of Petroleum Affairs, signed another preliminary agreement, this time worth £15,600,000, for an additional 11 deep water berths at the port. It also went to Costain.

When Port Rashid is completed in 1973, it would be made a free port, with all imports and exports passing through Dubai free of taxes and import charges would be cut even before then.

From June, when oil is expected to flow from the recently discovered off-shore oilfield, it was the Ruler's intention to have the duty on all imports. Based on imports last year, the Ruler would be giving up £33 million. Mr. Tajir estimated that this year Dubai would import goods worth £100 million.

Under construction at Dubai is a £4,100,000 international airport, the first to be built in the Middle East to take Jumbo-jets.

(**The Baghdad Observer**)

SYRIA

A. **Gen. H. Assad's Coup:** General Hafez El Assad, Defence Minister and Air Force Commander-in-Chief, staged a successful **coup** d'etat on March 1, and had the Head of State and Government, Mr. Nureddin Atassi, placed under house arrest.

General Assad, supported by his deputy, General Moustafa Tiass, First Vice-Minister of Defence and Chief of the General Staff, was reported to be in full control.

An attempt at resistance led by the Interior Minister, Mr. Mohamed Rabah Tawil, and the Foreign Affairs Minister, Mr. Mohamed Eid Achavi in the north of the country failed. The two men were disarmed by Army units obeying the Defence Minister as they were leading a march of peasants and workers towards Alep, capital of Northern Syria.

Altogether ten of the Ba'ath Party's Syrian regional leaders—out of a total 16—were under arrest. But the arrests were reported to have begun as early as February 23.

Syrian fighter planes were flying regul patrols over the capital for the first time since an Israeli attack nearby on February 24. Otherwise, Damascus was quiet. So were all provincial towns.

General Assad presented a six-point ultimatum against Soviet interference in Syria's affairs. His other demands included preparation for war with Israel.

Suicide By Col. A. K. Jundi:

It was reported on March 2 that the Intelligence Chief, Col. Abdel Karim Jundi, had committed suicide.

Col. Jundi, a member of the Ba'ath Party's Regional Directorate—the real power behind the Government—had been missing for two days.

The suicide came, it was said, as General Assad and General Mustapha Tiass tried to persuade the Head of State, Dr. Nureddin Atassi, to put the stamp of legality on their take-over. President Atassi refused to accept modifications to the Government which General Tiass proposed and the argument became heated. Col. Jundi then drew his revolver and shot himself. He was taken to hospital but died shortly afterwards.

President Atassi, the former Prime Minister, Mr. Youssef Zeayen, and the Ba'athist Assistant Secretary, General Salah Jadid, all attended the funeral of Col. Jundi, but Gen. Assad did not.

(**The Times**, London)

[Prev. ref. 8725:SYR:A]

B. **Improvement In Economy:** A Damascus despatch published in **The Times** (London) on February 24 said that within less than two years of the 1967 war with Israel, Syria had given birth to a promising and profitable oil industry (with known reserves of 1,200 million tons).

It had also seen the beginning of work on the Euphrates Dam project, which is equal in size and potential to Egypt's Aswan High Dam. The foundations for a firm industrial base had thus been laid.

Both in terms of strength and capability, the Syrians had more than made good their military losses in the June, 1967 war. More than 65 per cent of the Budget was devoted to military purposes. The declared Syrian policy of a "war of liberation" against Israel was nowhere near getting off the ground; but a popular army had been established, officially estimated at 100,000 strong, and military training introduced into the secondary school curriculum. Syria's unbending attitude against "peaceful solutions" to the West Asian crisis certainly had the approval of the Syrian people while Israel remained in occupation of their land.

The oil industry, developed with Soviet co-operation only six months ago, had already earned more than £4 million from the two main producing wells at Suwaidiyah and Kurachuk in north-west Syria.

At first the Syrians marketed the oil on a 50-50 barter cash basis, but future deals will be mainly on a straight cash basis in convertible currency.

The industry was expected to add more than £140 million to the national income in the five years up to 1973. There had been a further boost for morale in the fact that Syria was the first Arab country to market directly the oil she produced.

Apart from this impetus, the Euphrates Dam project, when it is completed in 1975, would double the existing irrigated land to three million acres and produce almost five times more electricity than was available in the country at the moment.

The present Ba'athist **regime** relies much on Soviet assistance, and her ports are open to ships of the Soviet fleet in the Mediterranean. However, an indication that Syria may have wider horizons was given when she lifted the restrictions on West Germans—who with British and Americans had been banned since the June war.

(**The Times**, London)

[Prev. ref. 8368:SYR:A, 8430:SYR:B]

TURKEY

A. **Student Protests Against Visit Of US Sixth Fleet:** The arrival on February 10 of the American Sixth Fleet on a five-day visit set off a series of student protests.

The visiting vessels included the

aircraft carrier, **Forrestal**, and five destroyers.

Students demonstrated near the American Logistics Services Headquarters in Ankara on February 13, and some of them threw stones, breaking a window in the offices of the Commanding General.

(**The Pakistan Times**, Lahore)

[Prev. ref. 8782:TUR:A]

ASIA OUTSIDE ASIA

A. American Assessment Of Chinese Nuclear Missile Capability: The American Defence Secretary, Mr. Melvin Laird said on February 15 that he was deeply concerned that China would present a nuclear missile threat to the United States in the early 1970s.

But in a reference to the growing political opposition to construction of the controversial sentinel anti-ballistic missile (ABM) sites, he said the Nixon Administration was reviewing the possibility of locating the defensive missiles further away from American cities.

The US Administration was conducting a review of the **Sentinel** programme and had put a temporary halt on construction of sites. This came after Congressional opponents renewed their attacks following increased complaints from residents of areas where the defensive missiles will be placed.

Mr. Laird emphasized in a television interview that he felt the Chinese missile threat was real. He said the Peking Government was expected to test-fire its first intercontinental ballistic missile within 18 months. "I am more concerned about that defence than I am about any other defence." He added that China "might develop some 18 to 20 of these missiles and I believe that we do not want to become hostages of the Chinese at any time in the future."

However, some American sources estimate that half of the 20 nuclear missiles which China expects to have in a few years' time would be incapable of hitting their targets.

According to them, China might be able to build these rockets by 1972 at the earliest. But if for some reason China's progress was less rapid than expected, then Peking would probably not have even a modest arsenal of ballistic weapons before 1975.

China's seven nuclear tests to date (including the last, a three megaton H-bomb which was set off in December, 1968) had shown an advance of technical skill. But, the same sources noted, it was unlikely that China had been able to make comparable progress in the field of inter-continental vestors.

On the other hand, it was thought that the Chinese were using liquid fuel for their rockets, and had not yet reached the stage of using solid fuel.

If the estimates on the Chinese ballistic missile threat were correct, and if President Nixon orders the resumption of work on the anti-ballistic missile net-work, USA may have quite effective protection against any Chinese ICBM threat within five to six years' time.

(**The New York Times**)

[Prev. ref. 8589:CHI:B]

B. Australia And New Zealand Offer Defence Support To South-East Asia: Australia and New Zealand announced on February 25 that they would maintain military forces in Malaysia and Singapore after the withdrawal of British defence there in 1971.

The commitment by the two Governments though relatively small in terms of weapons and man-power was viewed in Wellington and Canberra as far-reaching and new in the defence concepts for the region.

The Australian Prime Minister, Mr. John Gorton, told Parliament in Canberra that his Government favoured augmenting military measures with efforts to promote "a non-aggression pact or pacts" among South-East Asian countries to advance regional stability.

He declared that Australia would seek the support of "outside Powers if a situation arose in which Malaysia and Singapore needed help beyond Australia's resources."

Reports said that implicit in the declaration was the confidence that Britain would retain a military obligation to Malaysia and Singapore even after the departure of British forces from its present bases east of Suez.

In Wellington, the New Zealand Prime Minister, Mr. Keith Holyoake, declared in a speech to Parliament: "It is obvious that a fundamental change in the frame-work of our operations in South-East Asia is taking place. The decision has great significance for New Zealand's future policy and role in the area."

(**The New York Times**)

[Prev. ref. 8782:AOA:A]

C. Czech-Soviet Supplementary Pacts: It was announced in Prague on February 22 that Czechoslovakia and the Soviet Union had concluded Supplementary Agreements to 1968 October's Treaty on the "temporary stationing" of Soviet troops in the country.

One of the Agreements laid down that Czechoslovak citizens could be tried only according to CSSR law and in Czechoslovak courts for any offence.

Soviet soldiers committing an offence in conflicts with Czechoslovak citizens would be prosecuted and tried in CSSR courts.

The Supplementary Agreements also provided for full payment by the Soviet Union of all expenditure incurred by the stationing of Soviet troops. Czechoslovakia would supply only such goods and materials for the personal consumption of soldiers so that no shortages occurred in the market. The amount sanctioned for such purchases amounted to 120 million Cezch crowns per year, which was 0.8 per cent of the country's entire annual retail trade turnover.

(**The Times**, London)

[Prev. ref. 8573:AOA:A, 8833:AOA:C]

D. British & Swedish Bank Rates Increased: The £ sterling strengthened in the foreign exchange market, as the British Bank Rate went up by one per cent to eight per cent on February 27.

The price of gold in the London Exchange rose to a new record price of $42.80 an ounce.

Shares and Government securities were, however, marked down on the Stock Exchange.

The Bank Rate in Sweden also went up by one per cent to seven per cent.

(**The Times**, London)

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BRUNEI

A. More Oil Royalty: The Financial Officer, Dato John Lee, told the Budget session of the Legislative Council recently that the Government had negotiated new Tax and Royalty Agreements with Brunei Shell Petroleum (BSP) which would raise the State's 1969 revenues to B$220.

As a result, he said, the State would have a surplus of B$90 million in the recurring Budget.

During the negotiations, BSP agreed in principle to the application of the new Agreement with effect from January 1, 1964. Honouring this Agreement the company paid to the Government in 1968 B$34 in back taxes—a major factor in the State's overall Budget surplus of about B$27 million for 1968.

Under the new arrangements, instead of royalty payments being credited against the State's share under the 50-50 profit-sharing agreement, as previously, they would now be charged in the company's accounts and paid before ascertainment of the profit to be shared.

Further, for tax purposes, the oil produced is to be valued no longer on the realized price, but on the posted prices of comprehensive oil in the Persian Gulf. Safeguards are incorporated against unduly heavy taxation which may arise from changes in Persian Gulf prices, in the quality of Brunei crude oil, or in freight charges.

At present, BSP is the only oil producing company in the Sultanate. But the arrangements would apply to all companies which might, at any time, produce oil in Brunei.

(**Far Eastern Economic Review,**
Hong Kong)

[Prev. ref. 7087:BRN:A]

BURMA

A. Shipping Agencies Nationalized: The Government took over the business of 24 shipping agencies, all limited companies, on February 7.

The nationalization of the shipping agencies, mostly handling cargoes, followed the taking over of cinema houses and industrial establishments.

The agencies were all operating between Rangoon, Akyab, Bassein and Moulmein, and included among others the Finlay and Fleming Company, Mackinnon Mackenzie and Company and the United Liner Agency of Burma.

Another measure relating to the country's economy was announced on March 12 when the Government banned the exploration or mining for precious stones and possession or transfer of unpolished stones.

The Government had also taken steps to tighten up industrial discipline. Mine-workers were recently told that some mines would have to be closed down unless their production record was improved.

Decline In Economic Growth:

Meanwhile, in an interview, the Chief Economic Adviser to the Government, U Ba Nyein, admitted that things had not been going too well, that agricultural and industrial production, **per capita** income and foreign trade had declined drastically Burma was passing through the transition period from capitalistic economy controlled by foreigners to a socialist State.

He spoke of the Government's Four-Year Plan (details of which have not been published) now in its second year. The Plan called for immediate concentration on agriculture, with top priority for increased rice cultivation, coupled with expansion of irrigation, mechanization and the use of fertilizers. In industry, the Plan emphasized consumer goods, chemicals, fertilizers, oil refineries and hydro-electric power.

U Nyein said that after agriculture, the Plan placed top priority on producing consumer goods. He said: "We plan to start this stage of the Plan around 1970 and hope it will be completed by 1975."

The Government was investing $120 million a year. But it was faced with an external debt of $180 million and a deficit in the current fiscal year (October, 1968 to September, 1969) of $28.8 million. The answer to this financial dilemma could be foreign investment. But, according to U Nyein, "private foreign investment is out of the question. Only the Government can borrow capital for development."

(**The Statesman,** Calcutta and
Far Eastern Economic Review,
Hong Kong)

[Prev. ref. 8623:BUR:A]

CAMBODIA

A. Air Agreement With Indonesia: An Agreement was signed in Pnom Penh in the second week of February to enable the opening of direct air services between Cambodia and Indonesia.

The Agreement came at the close of talks between Cambodian officials and an Indonesian delegation led by the country's Director of Civil Air Transport, Mr. Fachir Mahmud.

(Antara)

CEYLON

A. Aid Group Meeting: A meeting of the representatives of countries and institutions interested in assisting Ceylon was held in Paris on March 11 under the auspices of the World Bank.

The Ceylonese delegation to the meeting was led by the Permanent Secretary to the Ministry of Planning and Economic Affairs, Mr. Gamani Corea.

The Aid Group comprises Australia, Canada, France, West Germany, Japan, Britain and USA. Representatives of the International Monetary Fund and the Asian Development Bank, as also observers from Denmark, Italy and India, attended the meeting.

The meeting re-affirmed the Group's endorsement of Ceylon's long-term development strategy of encouraging growth in the two most promising sectors of the economy—agriculture and manufacturing—and welcomed the major policy decisions taken toward this end in 1968.

A World Bank Press release said that the meeting "noted with satisfaction that Ceylon's development efforts, combined with financial assistance from abroad, have begun to bear fruit in accelerating economic growth which, in 1968, had reached the highest level in the post-War period. The Group voiced its concern over the decline of export earnings for the third consecutive year and agreed that more attention needed to be given to the problems of Ceylon's export industries, particularly tea, which accounts for two-thirds of these earnings."

It said: "Fresh commitments by the Group in 1968 amounted to $68 million and disbursements to $50 million. These were the highest annual levels reached since the Group came into existence in 1965. On the basis of indications given by the member-countries of their intentions during the rest of this year, disbursements in 1969 (including aid from earlier commitments) are expected to be substantially larger than in 1968.

"Several members, including the Asian Development Bank, the International Bank for Reconstruction and Development and the International Development Association, also expect to be able to make substantial commitments for projects in several fields, including irrigation, power and industry. Several delegations expressed the view that the terms on which assistance is provided should pay due regard to the potential debt-servicing problems facing Ceylon.

"The Group noted the need for substantial financial assistance from abroad in future and agreed provisionally to meet again early in 1970."

(**The Times of Ceylon**, Colombo and **World Bank Press Release**)

[Prev. ref. 8361:CEY:A, 8432:CEY:C]

CHINA

A. Border Clash With Soviet Union:

Tass reported on March 2 that an armed Chinese unit crossed the Soviet border earlier in the day and fired at Russian Guards. It said there were casualties, but did not give details.

The news agency said that the incident occurred in the area of Nizhnemikhallovka border post on the Ussuri River. This is north of Vladivostok in the Soviet Far East.

According to **Tass**, the Soviet Union sent a Note of strong protest to Peking against the "provocative actions of the Chinese authorities on the Soviet-Chinese border."

The Soviet protest said that "any provocative actions by Chinese authorities on the Soviet-Chinese border will be rebuffed and resolutely cut short by USSR."

This was the first official Soviet report of a border incident with China that had led to bloodshed. It evidently marked a sudden worsening in the already strained relations between the two great Communist Powers.

It gave no explanation for the alleged violation of the border by the Chinese.

[Reports have often reached Moscow in the past of trouble along the 4,150-mile Soviet-Chinese border. Sometimes firing was said to have been involved. But Moscow had never before confirmed that any incidents of this kind took place. Peking claims much Soviet territory in the border region. The Ussuri River serves as a boundary between Manchuria and the Soviet Far East.]

The incident reportedly took place about 110 miles south of Khabarovsk, or half-way between that city and the Soviet naval port of Vladivostok on the Sea of Japan.

The **Tass** despatch read: "At 4:10 Moscow Time on March 2, the Chinese authorities staged an armed provocation in the area of the Nizhnemikhailovka border post (Damansky Island)) on the Ussuri River.

"An armed Chinese unit crossed the Soviet frontier and proceeded towards Damansky Island.

"The Chinese side suddenly opened fire at Soviet Border Guards guarding the area. There are killed and wounded. The violators of the frontier were chased away from Soviet territory by the resolute actions of Soviet Border Guards."

Following reports of the border clash, tens of thousands of demonstrators held the Russian Embassy compound in Peking in a virtual state of siege in protest against the "violation of China's territory."

The demonstrators shouted against "American imperialism", as well as "Soviet revisionism".

Demonstrators were hostile, without violence, to foreigners attempting to drive through towards the Embassy. They shook their fists at cars, shouting "hang Kosygin" and "fry Brezhnev."

The demonstrations continued for five days.

A Soviet Embassy Counsellor rejected a protest Note on the border clash. The Counsellor, Mr. F. I. Potapenko, was called to the Chinese Foreign Ministry by the Deputy Foreign Minister, Mr. Chiao Kuan Hua, who tried to give him the protest Note.

An Embassy spokesman said that Mr. Potapenko rejected the Note "because it does not coincide with the facts and because it was written in an unacceptable form."

Chinese Version:

A Chinese Foreign Ministry statement, broadcast by **Peking Radio** on March 3, said that Soviet Border Guards had crossed into Chinese territory, killing and wounding several soldiers in an incident.

It warned: "Further intrusion of Soviet troops will be firmly rebuffed by the Chinese Army".

The **Radio** said that China had strongly protested to the Soviet Union about the incident and added that it had rejected a protest Note from Moscow.

The Chinese statement said that a large number of Soviet Border Guards, in armed cars and trucks, openly intruded into Chentapac area and carried out "frantic provocation" against the Chinese patrolling Border Guards. They opened fire first, killing and wounding a number of Chinese soldiers, but did not give figures. The Chinese soldiers returned the fire in self-defence only after warnings to the Soviet troops were ignored. "The grave bloodshed was entirely created by the Soviet authorities. It is another new atrocious crime committed by the Soviet authorities. The Chinese Government demands the Soviet Government to punish the culprits responsible for the shooting incident and stop immediately encroachment on Chinese territory together with its armed provocations."

It said that China reserved its right to claim all losses.

The Chinese Press, in an editorial on March 4, warned that China would "wipe out all Russian troops that might again stage armed provocations within its territory."

The Peking **People's Daily** and the **Liberation Army** daily, quoted by **Peking Radio** declared: "The days when China could be bullied are forever gone."

It warned the Soviet Government: "You are blind and day-dreaming if you think you can apply the old Tsarist tricks to the Chinese people."

It rejected the Soviet territorial claim to the island which the Soviets call Damanusy, and re-iterated that the river island was indisputably Chinese territory that brooked no violation. "If you dare repeat armed provocations, you will be severely punished. How many people you may send with whoever else you may come along, we will thoroughly, cleanly and totally destroy you".

It declared that China, however, would never be the first to strike and would only hit back when attacked.

It accused the Soviet Union of concentrating large numbers of troops along the Sino-Mongolian and Sino-Soviet borders and further charged that "Soviet troops have repeatedly encroached upon our nation's territory and air-space, created border incidents and started military intimidation against China."

Anti-Russian rallies were held throughout Chinese territory. There were reports of rallies in Canton, Nanking, Tientsin and Shanghai.

An Earlier Incident:

Meanwhile, the occurrence of a border clash of unknown proportions between Chinese and Soviet troops some time in 1968 in the same island area in Ussuri River frontier was officially, even if casually, divulged by China on March 9. When exactly the clash took place, however, was not indicated.

The disclosure was made in the course of a report by the official **New China News Agency.**

The admission of the 1968 clash came when the report quoted a militiaman of Hutou production brigade in Hulin country giving expression to his determination to fight against the Russians.

[An account of the developments in the border trouble after March 6 will be given in another issue of **Asian Recorder.**]

Background:

In 1963, territorial disputes were added to the ideological conflict between the Soviet Union and China. Since then, a certain tension has been noted in some of the frontier regions, notably along the Amur River and the Ussuri River.

China had never recognized the Amur River as the real boundary between China and USSR, as Chinese atlases show.

In February, 1966, a Red Guard newspaper in Peking mentioned "many provocations committed on the border by Soviet revisionists." A wall poster put up at the same period said that Mr. Mao Tse-tung had called on the army to be prepared for the eventuality of a border conflict.

On the Soviet side, the **Komsomolskaya Pravda** accused China of committing provocations on the Amur River boundary.

A few months later, the writer, Mr. Constantin Snetov, returning from a visit to the Far East, said in the newspaper **Pravda** that the Soviets in the border areas worked only with rifles slung on their backs and that only the cool-headedness of the Border Guards had prevented serious incidents between the two countries.

But the provocations mentioned on both sides apparently involved only civilians, and there were no reports of incidents in which soldiers, Border Guards or customs officials took part.

However, in 1967, the **Ming Pao** mentioned an incident in that year in which Soviet soldiers had prevented Chinese troops from going to an island which USSR considered to be Soviet territory. And in March, 1967, **Peking Radio** accused Soviet soldiers of manhandling the personnel of a Chinese trawler.

In the last two years, the Chinese have several times accused USSR of massing troops along their common borders. The Far Eastern sector of the Sino-Soviet frontier extends for 2,000 miles along the Amur River and its tributaries—the Argun and Ussuri—separating Eastern Siberia and the Soviet Far East from China.

Stretching from Afghanistan in the West to the Sea of Japan in the East, the entire Sino-Soviet border areas are generally divided into three main sectors: Inner Asia, Mongolia and the Far East. These borders were determined by a series of Treaties and Agreements, described by the Chinese as "unequal," dating back to the Treaty of Nerchinsk in 1689.

The Inner Asian sector contains Russian and Chinese Turkestan, now known respectively as Soviet Central Asia and the Sinkiang-Uighur Autonomous Region. It is arid, rugged country, inhabited largely by Turkish peoples who practise Islam.

In addition to the native population, 50 years of Soviet rule have brought a great many Eastern Slavs into Soviet Central Asia. These migrants have settled primarily in urban areas, and they have done much to make the region more responsive to Moscow's control.

Nominally under Chinese administration, Sinkiang has in the past often been in the Russian sphere of influence. Even after the Chinese Communists seized power in 1949, Soviet joint-stock companies continued to exploit oil and non-ferrous metals in the area. China followed the Russian example by moving large numbers of Han Chinese into Sinkiang. Chinese rule over the region has been consistently marred by outbreaks of "local nationalism," some of which reached the proportions of major uprisings.

When Sino-Soviet relations became openly hostile after 1960, internal strife in Sinkiang became a prime target for Russian intrigue. Stories began to filter out of China that Soviet agents were circulating throughout the countryside, actively encouraging Moslem tribesmen to seek a better life among their co-religionists in Soviet Central Asia.

When the border was closed in late 1962, Chinese troops had to quell the resulting bloody riots.

The passage of time has brought no discernible easing of tensions in Sinkiang, an important centre of China's nuclear research and development. China frequently reiterates charges of Soviet subversive activities, and both sides of the border have been turned into armed military camps.

At the north-eastern tip of Sinkiang, the Sino-Soviet border divides around the Mongolian People's Republic, which was founded in 1921 and existed as a virtual Soviet satellite until after the death of Stalin. China has traditionally claimed suzerainty over this area, and actually has a large Mongol population of her own in the Inner Mongolian Autonomous Region.

As late as 1964, in fact, Mr. Mao Tse-tung referred to Mongolia as "Chinese soil." In addition, Chinese maps clearly indicated territorial claims along the entire length of the Sino-Mongolian frontier.

With the signing of the ten-year Sino-Mongolian Agreement on Economic and Cultural Co-operation in 1952, China launched a vigorous campaign to expand Chinese influence in Mongolia. Thousands of Chinese labourers went to Mongolia in 1955 to work on aid projects, and China emphasized the "fraternal friendship" between the peoples of Mongolia and China.

However, Mongolia's ties with USSR remained strong. Although assuming a public stance of neutrality in the Sino-Soviet dispute, Mongolia has been drawing increasingly closer to the Russian camp. China retaliated by gradually phasing out her aid programmes to Mongolia and bolstering Chinese forces in Inner Mongolia.

Following charges that China intended to "incorporate" Mongolia into China, the Soviet military presence in Mongolia has increased greatly to include tanks, artillery, combat rockets and anti-missile units.

The present demarcation between Chinese and Soviet territory was established more than 100 years ago, when the Czar took advantage of weakness in the Manchu dynasty to incorporate vast tracts of Chinese land into the Russian Empire.

Dividing Issues:

Besides the disputes over the border, the issues which have split the two countries are:

(1) Is war with the capitalist nations inevitable?

Soviet Position: War is no longer inevitable. Their strength is now so great that most communist goals can be gradually achieved without resort to war. However, wars of national liberation should be supported.

Chinese Position: Wars are inevitable so long as capitalism exists. Global war can be avoided, wars of national liberation should be firmly supported.

(2) How have nuclear weapons affected world politics?

Soviet Position: A global nuclear holocaust would benefit no one, and steps should be taken to insure that one does not break out.

Chinese Position: Although the destructiveness of nuclear weapons is awesome, fear of nuclear war should not be permitted to paralyze the communist nations and prevent them from actively promoting popular revolutions.

(3) Is world disarmament possible?

Soviet Position: Total disarmament can be achieved even while capitalism still exists. It is a desirable goal.

Chinese Position: Universal and complete disarmament can be realized only after imperialism and capitalism have been eliminated.

(4) Can nations with different social systems co-exist peacefully?

Soviet Position: In the struggle between the forces of communism and capitalism, "war is not a fatalistic inevitability."

Chinese Position: Peaceful co-existence is a short-term strategy at best. Communists should support the revolutionary struggle of oppressed nations. In the words of Mr. Mao Tse-tung, "...if the worst came to the worst and half of mankind died, the other half would remain while imperialism would be razed to the ground and the whole world would become socialist."

(5) Is economic competition an effective means of struggle against the capitalist nations?

Soviet Position: The down-fall of capitalism can be achieved through peaceful struggle, an important part of which is economic competition between capitalist and communist States.

Chinese Position: Communist victory can be achieved only through violent struggle.

(6) Is transition to "socialism" possible without violent revolution?

Soviet Position: Revolutions are possible without wars, and the transition to "socialism" through parliamentary means is becoming increasingly probable. Progressive post-colonial **regimes** should be supported and urged to accelerate the trend towards "socialism." Wars of national liberation should also be supported.

Chinese Position: No communist government has yet achieved power by parliamentary means. All forms of struggle, including use of parliamentary methods, should be used when appropriate; and communists should not permit any restrictions whatever to be placed on the means of strupgle available to them. Neo-colonialist **regimes** should be crushed.

(7) How has the system of economic production incentives, recently introduced in the Soviet Union, affected "socialist" production?

Soviet Position: The economic incentives, first propounded by Prof. Lieberman, have greatly improved industrial efficiency without disturbinp the cardinal principle of "socialist" ownership of the means of production.

Chinese Position: The introduction of economic rewards is further proof of the return of the Soviet revisionists to capitalist principles. A true communist does not need material rewards to inspire him to sacrifice his selfish interests for the good of the whole.

(**The New York Times, Tass, The Times,** London and **China Reporting Service,** Hong Kong)

[Prev. ref. 7538:CHI:B, 7857:CHI:B]

B. **Military Strength:** Estimates by Western observers place the strength of the People's Liberation Army (PLA) regular ground force at 2.7 million.

[Since 1960, China has not disclosed her defence expenditure and the military strength can only be estimated].

According to these estimates, the strength of the Air Force is about 100,000 men; the Navy and Marines total between 128,000 and 163,000; while the Public Security Forces have between 300,000 and 500,000. These are backed by a Militia of some 12 million.

An estimated 128,000,000 males of military age are subject to conscription. About 750,000 are called up each year, usually at age 18. Service is for a period of four to six years, followed by reserve duty until the age of 45.

Ground force: Combat elements consist of separate armies (called Corps in many other armies) which, in time of war, are grouped into other units. Troops have both military and production responsibilities. An estimated break-down follows: Field armies (3 divisions per army) 30-40; infantry divisions (11,000-12,000 men) 105-154; armoured divisions 2-4; air-borne divisions 1-2; cavalry divisions 2-3; plus mountain troops. Infantry makes up about 90 per cent of the total force.

Air Force: Although "old guard" Chinese apparently tended to downgrade the effectiveness of air power, the Air Force was regarded as the world's fourth largest in 1960. It declined following the Sino-Soviet split, largely because of jet-fuel shortages and lack of replacement aircraft and spare parts. Of an estimated 3,850 planes, 3,000 are thought to be various models of the MIG fighter, plus some 500 light bombers and perhaps 350 transport and commercial planes.

The British publication **Jane's All the World's Aircraft** reported that China can now manufacture spare-parts for earlier MIG models and probably has a MIG-21 factory at Mukden.

Navy: Although virtually all the naval force went to Taiwan with the Kuomintang in 1949, China has built up a substantial Navy. Premier Chou En-lai has declared that nuclear submarines would be added in 1970. Among an estimated 822 vessels are included: 4 destroyers, 4 destroyer escorts, 12 frigate escorts, 30 submarines, 78 minesweepers, plus gun-boats, torpedo-boats, landing ships, and others. Additionally, there are an estimated 10,000 junks. Naval aircraft, including land-based light torpedo-bombers and MIG fighters, total about 500. Naval personnel includes some 28,000 marines.

Public Security Force (PSF): This complex quasi-military force, scattered throughout the country, is concerned with people's political activities and is akin to the "constabulary" systems found elsewhere. It reaches down to the village level to enforce political, economic and public order; frontier security and it is also meshed with the Party's secret police machinery.

The Militia: Originally formed in 1927 as the Red Protection Corps, it guarded the Red Army's flanks during the civil and Sino-Japanese wars and had intelligence and communication responsibilities. Estimates of its strength run as high as 50 million, with the 12 million figure regarded as more accurate. Militiamen assist the PSF in maintaining public order and suppressing internal elements considered dangerous to the State, protect State property, including factories and farm crops, and maintain order at mass rallies and demonstrations.

(China Reporting Service, Hong Kong)

[Prev. ref. 8504:CHI:A, 8598:CHI:C]

INDIA

SUMMARY: Soviet Arms To Pakistan; New Chief Of The Army; HAL Record; FICCI Annual Meeting; NCAER Study Of Economic Outlook; Agricultural Prices Commission's Report; Asian Labour Conference.

A. Soviet Arms Supplies To Pakistan: It was implicitly confirmed in the Rajya Sabha on March 14 by Mr. L. N. Mishra, Minister for Defence Production, that Soviet tanks had reached Pakistan.

And, though the Defence Minister, Sardar Swaran Singh refused to give a direct answer to a similar question in the Lok Sabha he admitted that Soviet military hardware—"maybe tanks, maybe something else"—had been received in Pakistan and that the Russians stood by their decision to continue arms supplies to that country.

The Soviet Union, he said, had not given any details of the arms it had sent and would supply to Pakistan, nor was it expected that it would do so. This was on the same basis that India did not expect Russia to give information about arms supplied by her to any other country.

He added: "But, we have left the Soviet Union in no doubt about our grave concern on the matter and our belief that any accrual of arms to Pakistan is a threat to us".

He made the statement during the visit of Marshal Grechko, the Soviet Defence Minister, to India.

According to diplomatic sources in New Delhi, the tanks supplied to Pakistan were reported to be more or less of the same pattern which China had supplied to Pakistan. China had been manufacturing these tanks according to original prototypes given by the Soviet Union before the Sino-Soviet rupture.

The Soviet Union had also given Pakistan, according to these sources, some essential spare-parts for the MIG-19 aircraft it had obtained from China after the 1965 conflict. These spares were urgently needed by Pakistan to keep these aircraft in an operation conrition, since China was unable to supply them in requisite quantities.

These tanks and aircraft spares were evidently part of the first instalment of Soviet military aid to Pakistan which was first agreed to in principle during Mr. A. Kosygin's visit to that country in early 1968. The quantum of supplies and delivery schedules were finalized during the Pakistan C.-in-C.'s visit to Moscow in 1968.

(The Times of India and **The Statesman,** New Delhi)

[Prev. ref. 8451:PAK:A, 8468:INI:A]

B. New Chief Of The Army Staff: It was announced in New Delhi on March 20 that Lt-Gen. S. H. F. J. Manekshaw, General Officer Commanding-in-Chief, Eastern Command, would be the next Chief of the Army Staff. Succeeding General P. P. Kumaramangalam when the latter retires on June 8, Lt-Gen. Manekshaw will then be promoted to the rank of General.

Gen. Manekshaw (55) who is popularly known as "Sam", was commissioned in the Army in 1934. He is an Infantry officer and is known for his ability in tactical planning. Among the important appointments he has held are Director of Military Operations at Army Headquarters—as a Brigadier—during the critical days of the Kashmir operations.

In addition to holding several regimental Staff appointments, Gen. Manekshaw saw action during World War II. In the first Burma Campaign, he took part in many battles against the Japanese, and on the Sitting River Front, he led his company with courage when the Japanese were pushing towards Pegu and Rangoon. For this, he won the Military Cross. He was wounded in the operations and after recovering, he attended the Staff College course at Quetta and joined a Brigade on the North-East Frontier as Brigade-Major. He was an Instructor at the Staff College, Quetta, for some time and later went back to Burma to join his regiment (12 Frontier Force Rifles), which was then on the move astride the Rangoon-Mandalay highway as part of the victorious 14th Army troops under General Mongi Slim. He was wounded for a second time and returned to India. During the closing days of the War he went as a Staff Officer to General Daisey in Indo-China, where, after the Japanese surrender, he helped in the rehabilitation of over 10,000 prisoners-of-war.

To bring home to Australians India's war effort and the achievements of her Armed Forces, Gen. Manekshaw was sent on a six-month lecture tour to Australia in 1946.

Later, Gen. Manekshaw commanded an Infantry Brigade for two years. He officiated as Director of Military Training at Army HQ for a year before taking over as Commandant of the Infantry School at Mhow. He commanded a Division in the Jammu and Kashmir theatre for a short duration and worked as Commandant of the Defence Services Staff College at Wellington for three years before being put in command of a Corps on the eastern frontier in November, 1962. He was GOC-in C, Western Command, before taking over as GOC-in-C, Eastern Command, in November, 1964. He was awarded the **Padma Bhushan** in 1968.

Gen. Manekshaw grew up in Amritsar where his father had served as the Chief Medical Officer with the Municipal Committee.

He is a graduate of the Imperial Defence College, UK.

Other Army Appointments:

It was announced on March 19 that Lt.-Gen. J. K. Khanna, Corps Commander, had been appointed Quarter-Master General at Army Headquarters in place of Lt.-Gen. Rajinder Singh Paintal who had retired.

Gen. Khanna took over in the middle of April.

Major-Gen. H. K. Sibal, Commandant of the Infantry School, Mhow took over the Command of a Corps in the acting rank of Lt.-General. Major-Gen. O. S. Kalkat, Chief of Staff, Eastern Command, became Commandant of the Infantry School, Mhow.

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 7895:INI:J, 8239:INI:C]

C. Navy's First Helicopter Squadron: Admiral A. K. Chatterji, Chief of the Navy Staff, inaugurated the Navy's first helicopter squadron at Dabolim in Goa on March 15.

In doing so, he congratulated the pilots of the newly-commissioned 321-squadron and said that with the overall expansion of the fleet, the role of helicopters had widened considerably.

Apart from air-sea rescue operation and submarine detection, he added, helicopters fitted with torpedoes could provide an effective answer to hostile submarines.

Each of the **Leander** class frigates under construction would have a helicopter embarked.

(**The Times of India,** Bombay)

[Prev. ref. 8605:INI:G]

D. HAL Produces 1,000th Aircraft: The 1,000th aircraft manufactured by Hindustan Aeronautics Limited (Bangalore Division) was handed over to the Defence Ministry at Bangalore on March 28.

The Bangalore Division, originally known as Hindustan Aircraft Ltd (HAL), is engaged in: (1) design development and manufacture of a supersonic jet fighter; (2) manufacture of the Gnat aircraft, including its engine; (3) design, development and manufacture of the basic jet trainer—Kiran; (4) manufacture of the French Alouette helicopter, including its engine; (5) manufacture of the air observation post aircraft —Krishak—for army use; (6) design, development and manufacture of an agricultural aircraft; and (7) manufacture of gliders.

After assembling the first **Harlow** trainer in August, 1941, only 18 months after its establishment, HAL assembled the first **Curtiss Hawker** in July, 1942.

During World War II, the manufacturing programme was suspended and the factory was transformed into a large overhaul and repair base in the East.

In 1948 HAL manufactured **Percival Prentice.**

HAL's all-metal basic trainer HT-2 has been supplied to the Indian Air Force, the Navy and the Civil Aviation Training Centres.

Since March, 1950, it has been making **Vampire** jets which are now being phased out. In 1956, it started making **Gnat** light transonic fighters.

A team of German engineers have assisted HAL in the design and development of a supersonic fighter aircraft since 1956. The first two HF-24 manufactured in Bangalore were handed over to the Air Force in May, 1964. HAL is now working on reheat process to secure Mach-14 speed from HF-24's Orpheus-703 engine.

The undertaking has also produced 125 light trainer **Pushpaks.**

HAL is now planning to build "a secondary ground attack aircraft" of greater capability than HF-24.

(**The Hindu,** Madras)

[Prev. ref. 8075:INI:J]

E. Protocol With UAR For Agricultural Development: A Protocol was signed in New Delhi on March 19 between India and the United Arab Republic for collaboration in the field of agricultural development.

It came at the conclusion of a 12-day visit to India of an UAR agricultural delegation led by the Minister for Land Reclamation, Mr. Mohamed Bakr Ahmed.

The Protocol provides for the setting up of a joint advisory committee of experts and officials, which will meet at least once a year alternatively in New Delhi and Cairo to review and formulate specific programmes.

The UAR will accord preference to the import of Indian tea following its recent decision to raise the import quota for tea from 25,000 tonnes to 30,000 tonnes annually.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8461:INI:U]

F. Indo-West German Consultative Meeting: India and West Germany agreed on March 20 that there was need to strengthen and extend co-operation between the two countries in the economic, industrial and commercial fields.

A joint statement issued in New Delhi on the conclusion of the consultative meeting of officials of the two countries said: "The two sides reviewed and exchanged information on bilateral questions and the broad spectrum of global matters of mutual interest.

"They discussed the past performance and future prospects of co-operation between India and the Federal Republic of Germany in the economic, industrial and commercial domains."

Cultural Agreement:

India and West Germany also signed a Cultural Agreement in New Delhi on March 20, seeking to strengthen and develop the existing cultural contacts between India and West Germany.

It provides for co-operation between the two countries in the fields of education, art, culture, mass media, sports, medicine and libraries. Exchanges of personnel and materials in these fields would be regulated under the provisions of the Agreement.

Offer Of Projects:

A credit of Rs. 7 crores for the establishment of a Petro-Chemical Complex in Gujarat was offered by the West German Secretary of State for Foreign Affairs, Dr. G. F. Duckwitz, in New Delhi on March 20.

This was one of seven "further examples of Indo-German co-operation" announced by Dr. Duckwitz at a news conference.

Other items for which West German assistance would be available were:

(1) An agricultural development project in Almora in Uttar Pradesh —the fourth such West German-aided scheme in this country;

(2) Sixty scholarships for technical training;

(3) The erection of a television studio in Bombay and TV transmission stations in Bombay and Poona;

(4) The extension of the "Vollrath" project to promote Indian engineering exports will be seriously considered by West Germany to ensure the continuity of the success of this scheme;

(5) A technical aid project for the promotion of tourism in India; and

(6) 90,000 tonnes of wheat and wheat products in accordance with decisions taken by the European Economic Community.

Dr. Duckwitz declared: "I am happy to say that there are no differences between our two Governments that might disturb our relations now or in future. This is of particular importance for our bilateral relations."

(**The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 7905:INI:B, 8111:INI:F]

G. Indo-French Trade Protocol: A Trade Protocol providing for increased quotas for some of the Indian products still subject to quantitative restrictions in France was signed in New Delhi on March 17.

It was also decided to renew the Trade Agreement between the two countries for a year from January 1, 1969.

This followed the meeting of the Indo-French Joint Economic Commission in New Delhi from March 7 to 11.

The Indo-French Trade Agreement, concluded on October 19, 1959, had since been renewed from time to time.

The Trade Agreement expressed the common desire of the two Governments for the expansion of trade between the two countries. It also provided for a Joint Economic Commission comprising representatives of the two Governments to take steps to widen the trade and economic relations between the two countries.

(**The Times of India,** New Delhi)

[Prev. ref. 7065:INI:F, 8605:INI:F]

H. **Indo-French Consultative Meeting:** The annual consultations between India and France held in New Delhi on March 13 revealed that the two countries were "very close" to each other in their assessment of the international situation.

The French delegation at the two-day talks was led by Mr. Jean de Lipkoski, Secretary of State for Foreign Affairs, while Mr. Surendra Pal Singh, Deputy Minister in the Ministry of External Affairs, led the Indian team.

(The Statesman, New Delhi)

I. **Trade Surplus With Britain:** According to statistics released by the British High Commission in India on February 14, export and import trade between India and Britain resulted in a record surplus of about £63.7 million (Rs. 115 crores in a total trade of Rs. 335 crores) in India's favour during 1968.

In recent years, India had been running a favourable balance with UK on the trade account, but this sharp swing in India's favour was brought about by a marked improvement in India's exports to UK and a sizable slashing of imports from that country, partly accounted for by the continuance of recessionary conditions in India's engineering industry.

The trade surplus in the previous year (1967) was £44 million (Rs. 79 crores) on the basis of total exports to UK of £125.7 million and imports of £81.5 million.

At the end of the year just ended, India's total exports to UK increased by over £10 million to £185 million and simultaneously imports from that country decreased by almost an equal amount to £71.6 million, boosting the trade surplus by about £20 million (Rs. 85 crores).

(The Times of India, Bombay and New Delhi)

[Prev. ref. 6401:INI:K]

J. **Export Performance:** According to statistics available in New Delhi on February 26, India's position among the exporting nations of the world and even among the developing Asian countries had slipped considerably in the past two decades.

As of 1966, the index of world exports (1953-100) had risen to 246, and developing Asia's index to 205. India's index by contrast had risen to only 144.

Stated as average annual rates of growth over this 13-year period, India's exports grew by 2.8 per cent per year, whereas developing Asia's exports advanced at the rate of 5.7 per cent a year and world exports at the rate of 7.2 per cent. At the end of the Fourth Plan period only, India hopes to achieve an annual export growth rate of 7 per cent.

A comparison with selected countries showed even more strikingly India's poor export performance over the past two decades. The contrast was particularly marked with respect to Taiwan and South Korea.

These two small countries, with a combined population in 1966 of only 42.6 million (or less than 10 per cent of India's population), had combined commodity exports in 1966 worth $786 million or almost half of India's commodity exports of $1,607 million.

Moreover, exports of Taiwan and South Korea had continued to rise sharply, and the officially reported 1968 exports for the two countries were $848 million and $500 million respectively (a combined total of $1,348 million). This total amounted to almost 80 per cent of India's estimated 1968 exports of about $1,700 million.

In 1948, India accounted for 2.41 per cent of world exports, but in 1966 the percentage had declined to 0.8. Even comparing with the export performance of developing Asian countries, India had lost ground, falling from 21 per cent of the Asian total in 1948 to only 9.5 per cent in 1966.

These figures showed that although India had improved her export performance over the years, still she had a long way to go before she could emerge as a major exporting country.

(The Hindustan Times, New Delhi)

[Prev. ref. 7695:INI:B, 8218:INI:A]

K. **FICCI Annual Meeting:** Inaugurating the 42nd annual meeting of the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi on March 15, the Prime Minister, Mrs. Indira Gandhi said that as long as wealth and the power that went with it were concentrated in the hands of a few, controls could not be totally dispensed with and it was not unnatural in the economic and social conditions prevailing in India that monopolies should be attacked.

It was not possible in the Indian context, she said, to let wealth grow at the top in the hope that it would eventually trickle down to the masses.

She made it clear that the Government neither believed in controls for their own sake nor shared the view of some in business circles that controls were bad in themselves. The Government policy was to streamline and rationalize controls so as to "enthuse social purpose at strategic points in decision-making while avoiding cumbersome and unnecessary invention."

In the past few years, she went on, the Government had found conditions suitable for considerable relaxation of controls. Several fields had been substantially or totally decontrolled and delicensed. The future trend had been indicated in the draft Fourth Plan. The idea in the Plan would be to confine detailed planning to key sectors and permit flexibility in other fields. All basic and strategic industries involving large investment or substantial expenditure of foreign exchange would have to be scrutinized and planned very carefully.

But where the foreign exchange required was nominal and the interests of small and village industries were not at stake, delicensing could take place.

Mr. Morarji Desai's Address:

Addressing a dinner meeting of the session, the Deputy Prime Minister, Mr. Morarji Desai said: "We hope to get rid of the country's difficulties completely in a year or two and then march forward faster than in the past 15 years."

He asked the rich to give up thinking in terms of how much more money could be brought in or saved and of how they could give the least to the Government or others.

He asked businessmen to contribute to the creation of conditions "where life can be secure in the sense there is full employment for all talents and development proceeds in all sectors."

He said: "We want to make life in this country more satisfactory for everybody. We want to have an India where there will be equality of opportunity for everyone and equality of status, irrespective of one's profession. You (businessmen) will be judged by the measure in which you contribute towards building up such a society."

President's Address:

Earlier, the FICCI President, Mr.

G. M. Modi, in his address, reviewed the current economic situation in the country and made several suggestions for accelerating the pace of economic development.

He, however, expressed the business community's concern at the growth of fissiparous tendencies, tension in Centre-State relations and the re-emergence of a United Front Government in West Bengal, and said: "The memories of the last United Front Ministry are still fresh in our minds. Gheraos, strikes, lawlessness and social unrest made life difficult. They made a mockery of our democratic institutions and traditions."

He expressed satisfaction with the improvement in agricultural production and suggested that at least one-third of the cropped area be brought under irrigation in the next five years to avoid fluctuations in food production.

Regarding controls on industry, he said many investment opportunities had become unattractive because of control on prices and urged the Government to reduce controls to the minimum and use them only in an emergency.

On monopolies, he said, restraints on the size of Indian companies could place them at a disadvantage in the world market. Even now, the size of Indian companies was small and, therefore, their production costs were high.

After comparing the size of Indian companies with that of foreign monopolies, he said it would be "unrealistic" to control the expansion of companies having assets of over Rs. 1 crore.

Regarding taxation, he regretted that there was no relief for the corporate sector in the new Budget.

He referred to the small beginning made in the field of investment by Indian parties in some foreign countries and said that already about 60 proposals were in the process of negotiation or implementation.

He suggested that the Government should set up export banks to look after the financial side of export and joint ventures.

Further, the Government should protect foreign investment against political risk, permit cash remittances up to a certain percentage and give other facilities which would encourage investment abroad.

FICCI Awards:

After the inaugural ceremony, Mrs. Gandhi gave away awards instituted by the Federation for distinguished service and initiative shown by companies and individuals in the fields of agriculture, export promotion, family planning, industrial relations and research in science and technology.

The awards given were:

Agriculture: Jayshree Tea and Industries Ltd., Kallyar Estate, Coimbatore; Export Promotion: Mukund Iron and Steel Works Ltd., Bombay; Family Planning: Mrs. Aloo Mowdawalla of Messrs. Godrej and Boyce Manufacturing Co. (Private) Ltd., Bombay (individual award) and New Central Jute Mills Ltd., Calcutta (company award); Industrial Relations: Mr. K. N. Naoroji of Messrs. Godrej and Boyce Mfg. Co. Ltd. (individual award); Research in science and technology: Mr. S. C. Gupta, Director, National Sugar Institute, Kanpur.

The jury included Mr. P. B. Gajendragakar, Dr. D. S. Kothari and Dr. A. Ramaswamy Mudaliar.

Resolutions:

The Federation passed a number of resolutions on March 15, 16 and 17. One of them opposed the move to empower Parliament to abridge the Fundamental Rights guaranteed by the Constitution.

By another on "new factors in economic growth" it urged the Government to create conditions which would make it possible for the industry to grow up to international standards.

In the wake of the intensive application of science to industry, it said, business operations had necessarily to be on a large scale. The Government was urged to remove all controls and impediments to investment, production and distribution for the purpose and to reduce taxation on corporations and individuals to increase national savings and investment.

Other demands included appropriate financial measures and removal of procedural difficulties to help exports to expand and imports to reduce and improvement of the working of the public sector undertakings.

It noted the transition of economy from the under-developed to an intermediate stage and the restrictive trade policies being adopted by the developed countries and wanted the Government, trade unions and business to take note of the many new factors that had emerged both in the national and international scenes and appropriately revise their attitudes, policies and actions so that the process of economic development could be accelerated and social stability strengthened.

It urged upon business to cater effectively for the demand in rural areas for new goods and services and adopt new techniques of production and management so as to bring about modernization and reduction in costs.

In its resolution on "National Integration and the Business Community" it said that language, religion, State boundaries and river waters had become causes for violent thoughts and action. Political parties were not unwilling to use fissiparous forces for their own ends at the expense of national unity. The highly political "sons of soil" movement, unfortunately was receiving tacit or even open support fiom some authorities. The proliferating 'senas' were a dangerous extension of the same movement.

New President:

Mr. Ramnath A. Podar (Bombay) was unanimously elected President of the Federation of Indian Chambers of Commerce and Industry for 1969-70.

Mr. D. C. Kothari (Madras) was unanimously elected Vice-President.

The session ended on March 17.

(**The Statesman**, **The Times of India** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8282:INI:G]

L. Economic Outlook For 1969-70—NCAER Study: The National Council of Applied Economic Research (NCAER), presenting an outlook of the economy during 1969-70, said on February 7 that "despite the emerging favourable trends, any attempt to force the pace and increase the level of public investment immediately is liable to be self-defeating."

It was of the view that the order of public investment proposed in the annual Plan for 1969-70 "could just be feasible." The total outlay proposed by the Planning Commission, Centre and States taken together was Rs. 2,335 crores for the first year of the Fourth Plan.

The study envisaged production of 102 million tonnes of foodgrains, a seven to eight per cent increase in industrial output and a six per cent increase in national income during 1969-70.

While cautioning against forcing the pace of investment in 1969-70, it said that "the time was ripe for a fruitful search for avenues of useful and rewarding investment in all sectors. But as this process would necessarily take some time, one could expect investment to gather more momentum only after a year or so, by which time, if the economy progressed as envisaged, matching resources would be available."

The key to the outlook for next

year still remained agriculture. Given average seasonal conditions, the production of foodgrains next year would be 102 million tonnes and was likely to be of the order of 108 million tonnes in 1970-71. "In all probability further imports of wheat beyond what has already been arranged for may not be required, while marginal imports of rice may still be found to be necessary."

The downward pressure on foodgrain prices should lead to larger selling to Government at the support prices already in force. This should facilitate procurement of foodgrains for public distribution and for building up a buffer stock.

On industrial production next year, it estimated a four or five per cent increase in the growth of demand for cotton textiles which had to compete with synthetic fabrics, but in all other industries, "conditions are ripe for a general increase in demand which in turn should stimulate production." On the whole, industrial production might be expected to increase by seven to eight per cent.

The increase in national income might well be of the order of six per cent next year as against about three per cent in 1968-69. "This should not cause any undue satisfaction or sense of complacency. To a large extent it merely represents making up for lost time."

On exports and imports, it said that while the course of events in the current year had justified the earlier hope about encouraging growth of exports, efforts would have to be intensified and it would not be prudent to count on an expansion of the exports by more than five per cent.

(The Statesman, New Delhi)

[Prev. ref. 8674:INI:I, 8839:INI:A]

M. **Outstanding Central Loans To States:** The Deputy Prime Minister, Mr. Morarji Desai, told Parliament on February 24 that the Central loans outstanding against the State Governments as on March 31, 1968 amounted approximately to Rs. 5,191 crores.

The total was expected to rise further by about Rs. 340 crores by the end of this year.

He added that the Government was evolving a scheme for consolidating Central loans to the States and re-fixing the re-payment terms.

A statement placed on the table of the House disclosed that Uttar Pradesh owed the Centre the highest amount—Rs. 594 crores. Then came Bihar with Rs. 519 crores. Andhra and West Bengal followed next with Rs. 491 crores and Rs. 469 crores.

Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu fell in the Rs. 300-crore category, while Assam, Gujarat, Mysore and Punjab in the Rs. 200-300-crore bracket. The relatively smaller States like Haryana, Kerala, Jammu and Kashmir took a more modest place in the Rs. 100-200-crore line. The poorest of the lot, tiny Nagaland, owed the Centre only Rs. 9 crores.

(The Times of India,
New Delhi)

[Prev. ref. 8517:INI:E]

N. **Land Reforms Survey:** It was officially learnt on February 6 that more than 30,00,000 tenants and share-croppers had acquired ownership of more than 70,00,000 acres of land as a result of legislation undertaken in the various States.

The maximum number of tenants who had benefited by the measure was in Uttar Pradesh where 15,00,000 tenants inherited 20,00,000 acres. In Maharashtra, 7,40,000 tenants got ownership of 21,38,000, which means each got roughly three acres.

Tenants have fixity of tenure in all States except Assam, Haryana, Punjab, Madras and West Bengal.

In West Bengal the right of resumption of land by the landlord is a continuing right. In Andhra Pradesh and Bihar, comprehensive legislation has not been enacted.

Rents have been regulated in all the States. The Government of India is said to be of the view that the statutory rents are still on the high side in Andhra Pradesh, Jammu and Kashmir, Madras, Haryana, Punjab and West Bengal.

Most of the States have enacted laws to impose ceiling on land holdings. The ceiling varies from State to State. There are some States where the ceiling varies from place to place depending on the quality of land.

Rajasthan, where the class of land various widely, the ceiling varies from 22 to 336 acres. Next comes Andhra Pradesh where too the ceiling is low at 27 acres and high with 324 acres. In Mysore also, the ceiling is 27 acres for good quality land and 216 for poor quality.

In respect of ceiling, the complaint is that it has worked out more on paper than in reality. The landholders have resorted to devious means to thwart the imposition of ceilings and have partitioned the land among the family members. In some States, land has been switched over to cash crop as cash crop land does not come under the purview of the land ceiling.

The story of distribution of land rendered surplus as a result of imposition of ceiling is also not a happy one. In Andhra Pradesh, for instance, 73,692 acres of land was declared surplus. This was considered too meagre and even so, this has not been distributed among the landless. In Haryana, 1,82,250 acres was declared surplus but only a little over 25 per cent has been distributed.

Jammu and Kashmir is the only State where there has been 100 per cent distribution. The State declared 450,000 acres surplus and distributed the entire surplus.

(Indian Express, Bombay)

[Prev. ref. 8028:INI:G, 8173:INI:J, 8295:INI:V]

O. **Agricultural Prices Commission's Report:** The Agricultural Prices Commission, in its report published on March 19, recommended an increase in wheat procurement by 50 per cent, the suggested figure being 3.6 million tonnes against 2.2 million tonnes last year. The present restrictions on the movement of wheat should be maintained.

Procurement prices remain unchanged with the recommendation that the addition of Rs. 6 per quintal by the State Governments should be discontinued.

The Commission's view derives from two considerations. First, the crop is expected to be even better than last year's—about 17.23 million tonnes compared to 16.57 million tonnes in 1968. The increase has also occurred in surplus areas, making it possible to push up the level of procurement.

The Commission stressed the need for a proper programme, particularly in Punjab, in order to avoid the mistakes of last year.

The second major factor in the situation is the Commission's fear that under the established Monsoon cycle, the next year may turn out to be comparatively a poor one.

For this and other reasons, the Commission has also urged that imports should be deferred towards the end of the year. This will enable the procurement operations to proceed vigorously, the import programme being drawn up afterwards with a view to making up the balance.

The procurement prices suggested by the Commission are Rs. 66

for the red variety, Rs. 70 for the common white, Rs. 74 for the superior farm quality and Rs. 70 for the Mexican varieties. The prices will be uniform for all States.

No targets have been suggested for gram or barley. In the Commission's view, purchase of these grains should be undertaken by the Food Corporation or the State Governments at the prevailing market rate.

(The Times of India, Bombay)

[Prev. ref. 8270:INI:J]

P. **Asian Labour Conference:** Inaugurating the Asian Labour Ministers' Conference in New Delhi on January 28, the Vice-President, Mr. V. V. Giri, regretted that the trade union movement in Asia still operated within very narrow limits.

The bulk of agricultural labour, he added, remained outside the pale of trade unions. If the trade union movement was really to represent the working class of Asia as a whole, then it should go beyond its present bounds and take within its fold the many more millions who worked outside industry. In spite of all determined efforts that had been made by many Asian countries, the bulk of their workers engaged in agriculture had only inadequate employment. "While industry has the advantage of taking in only as many as it requires, no such choice is open to agriculture. Like Mother Earth it has to accept all that get born and we know how their number is increasing."

The President, Dr. Zakir Husain, and the Prime Minister, Mrs. Indira Gandhi, wished the Conference success. Fourteen Asian countries participated in the Conference.

The Central Labour Minister, Mr. Jaisukhlal Hathi, who was elected President of the Conference, said that in the Asian context, the compulsion was to carry on the drive for more production, employment and higher productivity so that nations could move out of the morass of poverty which had grown over the generations.

He said that in a democratic society, differences were bound to arise and a dispute was only a difference of opinion regarding how a problem was to be tackled.

He thought it was not possible to provide a guarantee against disputes, but it should be possible to guard against the hold-up of employment and production while the differences were being sorted out.

In this context, Mr. Hathi asked to what extent the right to strike, which had the sanction of the international standards set by ILO, was valid today. "But can there be a State guarantee for such a right which operates against the health and stability of the State itself?"

He wondered whether the State should not have the right to create a frame-work within which the trade union freedom was to be exercised and whether in the conditions existing in many Asian countries workers required to be protected against exploitation only by their employers.

The plenary session unanimously elected Mr. Hathi as President and Mr. M. H. Mohamed, Ceylon's Labour Minister, as Vice-President of the Conference.

Two Committees were set up—one to consider industrial relations and wage determination and the other to study technical co-operation and ILO's role in Asia. This Committee will discuss the formulation of an Asian man-power plan.

The Conference recommended the setting up of a machinery "for the prompt examination of the legitimate demands of workers and for their just and fair settlement."

In its declaration concerning trade unions and industrial relations, the Conference made several recommendations which would be considered by the Government of India in due course and action initiated on those which are acceptable to it.

(The Hindustan Times, New Delhi)

Q. **Congress Resolution On Indiscipline:** The Congress Working Committee adopted a resolution in New Delhi on March 13 prohibiting personal attacks by Congress members against their own party colleagues in Parliament or State Legislatures.

It noted with concern the growing tendency of Congressmen to make personal allegations against party members, including Ministers, and said that such allegations would be deemed as acts of indiscipline and prompt action should be taken at the appropriate level against those Congressmen.

The resolution was passed in the light of Mr. Chandra Sekhar's alleged campaign of vilification against the Deputy Prime Minister, Mr. Morarji Desai.

At its meeting on March 12, the Working Committee took a serious view of this campaign and asked the Prime Minister, Mrs. Indira Gandhi, in her capacity as Leader of the Congress Parliamentary Party to take strong action against Mr. Chandra Sekhar.

The resolution, however, did not make any reference to Mr. Chandra Sekhar's charges pecause it was felt that the Executive Committee of the Congress Parliamentary Party was fully seized of the issue.

The Working Committee thought it necessary to re-iterate the resolution passed by it on April 7, 1951, in which it had spelt out its policy to deal with cases involving breach of party discipline. Instead of passing a new resolution, the Committee added two paragraphs to the 1951 resolution expressing concern at the growing indiscipline and asking members not to indulge in personal attacks against other members.

The following is the text of the 1951 resolution:

"The Working Committee has noted with regret a growing lack of discipline among Congressmen as well as in Congress committees and Congress Parliamentary parties, and an encouragement of disruptive tendencies, which come in the way of effective work and do injury to the Congress prestige and the objectives for which it works. In the circumstances of today, maintenance of discipline among Congressmen is particularly necessary and breaches of it must be dealt with according to rules made therefore.

"No separate parties can be formed within the Congress and Congressmen must not condemn or criticise policies which have been adopted by the Congress or by Congress Governments, except in party or committee meetings. Members of Congress Parliamentary parties must bear this in mind in all their activities in Parliament or the State Assemblies. Any activity contrary to this will be considered a breach of discipline.

"The Committee, therefore, calls upon all Congressmen, in whatever sphere of activity they may function, to act with restraint and in keeping with the traditions and dignity of the Congress."

(The Statesman, New Delhi)

[Prev. ref. 8171:INI:E]

R. **Mr. D. P. Mishra's Election Declared Void:** On March 12, as consultations were in progress as to who should form the Ministry—Congress or SVD—in Madhya Pradesh on the resignation of the Chief Minister, Mr. G. N. Singh on March 10, the Madhya Pradesh High Court declared the Congress Party leader, Mr. D. P. Mishra's

1963 election to the State Assembly void.

Mr. Mishra was elected to the State Assembly in May, 1963 from the Kasdol constituency in a by-election. The election was challenged by the defeated Praja-Socialist candidate, Mr. Kamalnayan Sharma, on grounds of corrupt practices.

The Election Tribunal which heard the petition earlier had dismissed it and Mr. Sharma appealed to the High Court.

A division bench, consisting of Mr. Justice Shiv Dayal and Mr. Justice S. P. Bhargava, allowed the appeal and declared Mr. Mishra's election void. The High Court held that it had been proved that Mr. Mishra incurred or authorized expenditure in excess of the prescribed limit and that he was guilty of corrupt practices.

Mr. Mishra was re-elected to the State Assembly in 1967 from the Katangi constituency.

Mr. Mishra was re-elected Leader of the Congress Party in 1968 after he had stepped down from the post for some months soon after the SVD Government replaced the Congress Ministry headed by him. Mr. S. C. Shukla was the leader of the party for a brief spell.

The judgment disqualified Mr. Mishra from being a member of the Assembly for a period of six years with effect from March 12, 1969.

According to political observers, the judgment had jeoparadized Mr. Mishra's political future.

(**The Times of India**, Bombay)

[Prev. ref. 8771:INI:S]

S. **Central Employees' Strike—Re-instatement:** The Minister of State for Home Affairs, Mr. V. C. Shukla, announced in Parliament on March 13 that the Central Government employees under suspension for participating in the token strike on September 19, 1968, excepting those against whom there were complaints of intimidation, violence and active instigation, would be permitted to rejoin duty.

He said that the Government had decided to terminate legal proceedings, according to law, in respect of the cases where there was not sufficient evidence. This would be preceded by a careful scrutiny of the pending prosecution cases.

Cases of employees who had been placed under suspension in connexion only with disciplinary proceedings would be dealt with on the same liberalized principles as employees who had been prosecuted, and re-instatement ordered accordingly.

He hoped that the liberal spirit in which the Government had taken these decisions would be reciprocated by the employees through devoted and disciplined service.

(**The Times of India**, New Delhi)

[Prev. ref. 8614:INI:B]

T. **New Jammu-Srinagar Road:** It was stated on February 14 that an 11-mile road to by-pass the Nashri hillock between Batote and Ram Ban had been built by the Border Roads Organization.

This would ensure a smooth flow of traffic from Jammu and Srinagar and facilitate supplies of essential stores and equipment to the Kashmir Valley.

The road, which had been built after two years of hard and strenuous labour at a cost of Rs. 1 crore, is a 20-foot-wide single-traffic road, allowing 12 feet of carriage in the middle and has an easy gradient to permit all heavy vehicles taking a convenient course.

The road is meant to serve as an alternate route when the Nashri hillock is blocked.

(**The Statesman**, New Delhi)

U. **Phosphate Deposits In Rajasthan:** It was officially stated in New Delhi on March 1 that phosphate deposits, estimated at about 54 million tonnes, had been found in Rajasthan, both by the Geological Survey of India (GSI) and the State survey agency.

When these reserves are exploited on commercial scale, India—which is importing all rock phosphate requirements at present—is expected to become self-sufficient in this important raw material and thus save much foreign exchange.

For instance, in 1967, India imported 630,000 tonnes of rock phosphate costing about Rs. 9.60 crores. By the end of the Fourth Plan period, India's rock phosphate requirement is estimated at 4.5 million tonnes (with a pentoxide content of 30 per cent). This quantity of rock phosphate will cost Rs. 72 crores.

Out of the total estimated reserves of 54 million tonnes, 14 million tonnes have been reported from areas were GSI-conducted surveys. The balance is accounted for by the surveys conducted by the State agency.

The GSI survey revealed phosphate deposits at Kanpur, Karbaria-a-Gurha and Maton in the Udaipur area and also at Birmania, Kohra and Dakan Kotra. The pentoxide content of these deposits ranges between 15 and 25 per cent.

The Rajasthan Government, it is reported, has located deposits in Jhamar-Kotra, 20 km from Udaipur.

Hindustan Zinc Limited, a public sector undertaking, has applied to the Rajasthan Government for rights to mine rock phosphate deposits at Maton.

(**The Times of India**, New Delhi)

[Prev. ref. 8354:INI:U]

V. **Per Capita Income:** According to estimates based on prevailing price, it was stated, Punjab had the highest **per capita** income among the States in 1964-65.

Its **per capita** income was Rs. 575. Maharashtra, Gujarat and Haryana followed with Rs. 526, Rs. 523 and Rs. 504 respectively. West Bengal's **per capita** income was Rs. 493. The lowest among the States was Bihar (Rs. 299).

The **per capita** income in other States was: Andhra Pradesh Rs. 438, Assam Rs. 441, Jammu & Kashmir Rs. 341, Kerala Rs. 393, Madhya Pradesh Rs. 373, Mysore Rs. 420, Orissa Rs. 347, Rajasthan Rs. 356, Tamil Nadu Rs. 434 and Uttar Pradesh Rs. 374.

(**The Times of India**, New Delhi)

[Prev. ref. 8518:INI:L]

JAPAN

A. **Renewal Of Claims To Soviet-Held Islands:** The Government took new steps on March 7 to strengthen its claim to four off-shore islands occupied by the Soviet Union since the end of World War II by officially deciding to include them as part of Japan.

[The four islands are Etorofu, Kunashiri, Habomai and Shikotan.]

The Soviet Union took over these islands by virtue of the war-time Yalta Agreement. Subsequently, during Japan-Soviet talks to normalize their relations in the mid-fifties, Moscow indicated its readiness to return only Habomai and Shikotan in return for Japanese agreement to the Peace Treaty, but rejected demands for the return of Etorofu and Kunashiri on grounds that the question had been solved once and for all at the end of the War.

Presumably, in order to keep the question alive and to back up its claim to the Islands, the Japanese Government now decided to include them as Japanese territory in all official maps to be issued from April 1.

On March 19, the Cabinet decided to establish a Special Association to handle problems involved in trying to re-gain the islands of Etorofu, Habomai, Shikotan and Kunashiri.

Friction over these islands has so far prevented Japan and the Soviet Union from signing a Peace Treaty as a formal ending to World War II.

Japan's new efforts to get back these territories coincide with her efforts to regain southern islands including Okinawa which USA still has after war-time victories.

The Russian-held island group to the north and the US-held group to the south are the last of Japan's war-lost lands still out of Japanese control.

(**The Hindu,** Madras)

[Prev. ref. 8803:JAP:E]

B. **Trade Accord With USSR:** Japanese trade negotiators in Moscow said in the last week of February that they had reached agreement with Soviet officials on a plan calling for a two-way volume of trade to the value of $703 million in 1969.

The overall figure represents a 21 per cent expansion over the trade performance during 1968.

Japanese exports are expected to reach $356 million and imports $34 million, both on the f.o.b. basis, according to the trade plan.

Japan placed the greatest emphasis on Russian acceptance of increased imports from Japan in order to reduce Japan's big payment (import) excesses recorded in 1967 and 1968.

The Japanese negotiators said they had generally achieved that objective through the negotiations.

The talks were at one stage stalled over a difference regarding Russian imports of consumer products from Japan.

The Soviet Union, however, opened the way for an early agreement by assuring that it would import no less quantity of consumer items in 1969 than in 1968.

The Japanese export list comprises 80 items. These include plant equipment and consumer products to be supplied to the Soviet Union under a Lumber Resources Development Agreement signed in July, 1968.

Among other newly-added Japanese export commodities are rolling stock and their parts, tin plate, vinyl chloride, etylene glicol and carbon black.

The Russians have agreed to increase imports of woolen textiles, woollen yarn, rayon and synthetic rubber, wax and paints and equipment for food processing industry and fishery equipment.

The Japanese import list comprises 35 items. Japan has agreed to increase imports of timber and coal, while cutting down on purchases of raw cotton and pig iron.

(**The Japan Times,** Tokyo)

[Prev. ref. 8440:JAP:D, 8803:JAP:F]

C. **Giant Steel Firms Plan Merger:** The Fair Trade Commission (FTC) announced on February 24 what were interpreted as "conditions" for the merger of the two leading steel companies in Japan—Yawata and Fuji.

FTC selected three items of production—tin plate, rails and pig-iron for casting—in which it felt the two companies had jointly too strong a position, and on which Yawata and Fuji should yield ground.

FTC has, in effect, given the green light to the most important merger in post-War Japan. The merger will create a steel company far larger than any other in Japan, with joint production last year of 23,678,000 tons (almost as much as the whole of the British steel industry last year.)

This compared with total steel production in Japan last year of 66,893,000 tons, and put the new company far ahead of its rivals—Nippon Kokan, Sumitomo Metal Industries and Kawasaki Steel.

The new firm will also be the largest company in Japan in terms of sales, excluding the mammoth trading companies. In the last full business year Yawata and Fuji had joint sales of 823,299 million yen, as against the runner-up, Mitsubishi Heavy Industries, with sales of 626,243 million yen.

In addition, Shin Nippon Seitetsu will become the second largest steel producer in the world. According to 1967 production figures, the new Japanese combine would be second only to US Steel, and just ahead of the British Steel Corporation.

(**The Times,** London and **The Japan Times,** Tokyo)

[Prev. ref. 8358:JAP:B]

D. **Seminar On Japan-US Relations:** Political scientists and defence experts at a conference held in Kyoto in the last week of January examined the outlook for Japan-US relations in the post-Okinawan reversion years.

The majority of participants agreed that, in spite of some difficulties, Okinawa could be returned to Japan with US military bases there reduced to a similar, non-nuclear status as those in the Japanese mainland.

There were some who thought that the US Government and people would not understand readily the need for handing the islands back to Japan.

Many participants believed it possible that Okinawa could be returned to Japan without Japan conceding the American forces a free use of the bases or the right to deploy nuclear weapons. But others felt that USA would ask for unrestricted use of the bases.

None of the participants, however, saw the need for USA to stockpile nuclear weapons at Okinawan bases.

(**The Japan Times,** Tokyo)

[Prev. ref. 8525:JAP:A, 8584:JAP:A]

E. **Steps To Prevent Air Pollution:** The Cabinet decided on February 12 on the environmental standards for sulfurous acid gas as its first major step designed to prevent air pollution.

The new measure was based principally on the recommendations submitted to the Government by the Environments Council, an advisory organ to the Health and Welfare Minister, in July, 1968.

The new measure was the first of its kind to be enforced under the Basic Law on Public Hazards Counter-measures which was enacted in the Summer of 1967.

The Health and Welfare Minister, Mr. Noboru Saito, in a statement issued on February 12, described the new measure as the first step toward the prevention of air pollution and said that further efforts would be made to set standards to prevent carbon monoxide gas and noises.

(**The Japan Times,** Tokyo)

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CHINA

A. Clash With Russian Troops

Across Ussuri: China and the Soviet Union accused each other on March 16 of having provoked another border clash the previous day. (Account of earlier clash appeared on page 8872).

Russia accused China of using troops in infantry regiment strength to attack a Russian-held island in the frozen River Ussuri.

An infantry regiment can number up to 2,000 men.

At least one officer of the Soviet frontier guard forces and an undisclosed number of other men died in the fighting, which lasted for seven hours. According to the Russians, the Chinese used artillery and mortars in the assault.

Maj-Gen. Vasily Lobanov, the border guard commander-in-chief of the Pacific frontier district, told Soviet correspondents in Vladivostok that the Chinese attack against Damansky island (which the Chinese call Chen Pao) began at 9.45 a.m, local time. **Tass** quoted the General as saying that the Chinese came in "wave after wave. Every intrusion was accompanied by artillery and mortar fire. The provocateurs fielded up to an infantry regiment with support units against the Soviet frontier guards. They tried to seize the island and wipe out the Soviet troops". At first, the Chinese managed to penetrate the island under cover of artillery and mortar fire from their bank of the River. Once on the island, they opened fire on Soviet frontier guards stationed there since a previous clash on March 2, when 31 Russians died.

"In spite of the numerical superiority and strong fire of the enemy, the frontier guards repelled the attack and drove the Chinese from the island", Gen. Lobanov added.

In Moscow, a crowd of about 200 people gathered outside the Chinese Embassy soon after mid-day. Groups of youths shouted slogans and waved their fists, and one threw a stone through a window. The groups dispersed soon afterwards.

A Chinese Embassy official delivered copies of China's counter-protest over the incident to Western news agency offices in Moscow. He also handed over a well-printed map, illustrating China's claim to the disputed island. A caption to the map said that, even under the "unegual treaty" by which Imperial China ceded vast areas of the Pacific sea-board region to Tsarist Russia in 1860, the island was regarded as Chinese. Vladivostok and Khabarovsk, the two main cities in the area claimed by Peking, were given both their Russian and Chinese names on the map. Vladivostok was marked as Haichenwei and Khabarovsk as Poli.

Chinese Version:

The Chinese version, issued by the **New China News Agency,** stated that "dozens of tanks and armoured vehicles and large numbers of armed troops had crossed the frozen Ussuri and entered Chinese territory at 4 a.m.

"They occupied the middle part and southern end of Chen Pao island. At this point the Russian forces encountered Chinese border patrols, who called on them to withdraw. The Russians then opened fire, but the Chinese rose in self-defence and dealt head-on blows to the intruders."

In Peking, the Foreign Ministry summoned the Soviet **Charge d'Affaires** to receive an official protest, but the Russian diplomat "rejected the meeting without justification."

Naval Preparations:

Peking Radio reported earlier on March 12 that units of the North China Sea fleet were completing preparations to oppose new Soviet provocations after the recent armed clash in Manchuria.

Quoting an article by "all members" of the fleet, the broadcast said that they had increased patrolling of the Chinese naval base at Port Arthur and other areas along the north-east coast. "The invaders had better beware lest they meet with heavy blows".

Since the clash on March 2 at Chen Pao island, the fleet had been working to complete plans to smash Soviet aggressive ambitions, the article said. It claimed that the clash had followed troubles "provoked many times by the Soviet revisionists" in Sinkiang and other frontier regions of China.

Background:

The Amur and Ussuri River area remains vaguely demarcated, according to Peking. Significantly, a 1964 publication of the Chinese Foreign Language Press, entitled **A Concise Geography of China** by Jen Yu-ti, left the Amur River boundary undefined.

The existing, disputed Sino-Soviet border was basically fixed by accords which Peking now terms "unequal treaties." They were signed between expanding Tsarist Russia and the declining Chinese Manchu dynasty in Aigun (1858), Peking (1860), Tarbagatai (1864) and Ili (1881). (Peking rarely mentions the Nerchinsk Treaty of 1689 in which China came out on top.)

As a result of these agreements, Russia gained control of the Amur-Ussuri line in the east, as well as large Chinese-claimed tracts in Central Asia, totalling some 2,162,368 square miles.

Russia later moved further south into Manchuria and fought Japanese forces there. Japan withdrew from Manchuria at the end of World War II; Russia finally fell back to the Amur-Ussuri line in the 1950's, after the Communist **regime** emerged in China.

Chinese concern over the "unequal treaties" was voiced long before the communists finally seized control of the country in 1936. Mr. Mao Tse-tung reportedly told American journalist Edgar Snow in Yenan of his intention to recover "all our lost territories."

Mr. Mao did not reveal his plans, but in April, 1964, the Chinese delegation to the eighth congress of the International Association of Democratic Lawyers in Budapest advocated China's right to alter existing State frontiers by force if necessary under the "principle of respecting State sovereignty and territorial integrity."

In July, 1964, Mr. Mao reportedly told a visiting Japanese Socialist Party delegation: "About 100 years ago, the area to the east of Lake Baikal became Russian territory, and since then Vladivostok, Khabarovsk, Kamchatka and other areas have become Soviet territory. We have not yet pressed our account for this list."

Peking's anxiety over her "lost territories" was further emphasized by the Foreign Minister, Marshal Chen Yi, in May, 1966, when he reportedly told a group of visiting Scandinavian journalists that the Russians had annexed a total of 932,055 square miles of Chinese territory." Beyond that, he accused the Russians of adopting an "expansionist policy" and of refusing to settle the issue on the basis of abrogation of "unequal treaties."

For its part, the Soviet Union has invested huge capital and other resources in these border areas in the form of railroads, factories, reservoirs and people. For instance, the populations of Alma Ata, in the west and Vladivostok, in the east, have reportedly become predominantly Russian.

Some of the border areas are considered potentially rich in mineral resources. Significantly, Moscow Press reports have told of the recent discovery of huge coal deposits in the Bikin River area, not far from the scene of the recent border clash.

(The Times, London, **Tass, The New York Times** and **China Reporting Service,** Hong Kong)

[Prev. ref. 7538:CHI:A, 7857:CHI: 8872:CHI:A]

B. **Deterioration In Relations With UAR:** *A Beirut despatch in The Times (London) on March 18 said that relations between Egypt (UAR) and China, which had soured after Egypt refused to return a Chinese official who defected to Russia while in Egypt early in 1968, had deteriorated further.*

Egypt had alleged that the Chinese mission in Cairo gave active support to the student revolt in November, 1968.

The Egyptians, according to the report, made the allegations privately to the Chinese Ambassador, Mr. Huang Hua, claiming that the Chinese gave the rebel students financial support to stage the Alexandria demonstration in which thousands of rioters rampaged through the city, looting and destroying. There were more than 20 deaths.

The Chinese were also alleged to have supplied the students, whose tone from the outset was strongly Marxist, with printing facilities to produce their manifestos which denounced the **regime** and demanded widespread reforms.

Although the latest incident was only one in a long line of problems affecting Sino-Egyptian relations, the report said its roots lay in the wider conflict between the Soviet Union and the Chinese.

An important cause of the present situation was the arrival in Cairo in February, 1968 of Mr. Kuan Yu-chen, an official of the Chinese Afro-Asian Peoples' Solidarity Committee. He had immediately telephoned to the Soviet Embassy asking for political asylum and was taken from his hotel by Egyptian security men, who managed to rescue him from Chinese Red Guards.

As UAR has no extradition arrangements with China, she did not accede to her request for Mr. Kuan's extradition, and confirmed that the Japanese passport on which he had been travelling was valid. The Chinese called for his return and the return of important documents he was carrying, but it was said, he had left for Moscow.

(The Times, London)

[Prev. ref. 7830:ISR:A]

C. **Trade Pact With Yugoslavia:** *According to an announcement from Peking on March 19, China and Yugoslavia had signed a Trade and Payments Agreement two days earlier.*

No other details were given.

The announcement said the Agreement was signed by Mr. Liu Hsi-wen, Assistant Minister for Foreign Trade, and Mr. A. Ikonomovski, head of the Yugoslav trade delegation and Assistant Secretary for Foreign Trade of the Yugoslav Government.

China's imports from and exports to Yugoslavia in 1967 were of the value of $0.97 million and $14.19 million respectively.

Since 1964, Sino-Yugoslav trade had been steadily increasing. China's exports to Yugoslavia had increased by more than 10 times in 1967 compared to the figure for the previous year.

(The Times of India, New Delhi)

INDIA

SUMMARY: Foreign Trade Policy; Tentative Agreement With Ceylon On Kachchativu; State Budgets; Nagaland Ministry.

A. **Foreign Trade (Import) Policy For 1969-70:** *The Foreign Trade Policy—hitherto known as import policy—for 1969-70 announced on March 31 provided for the import of six more items through the State Trading Corporation and the Minerals and Metals Trading Corporation. The items are copra, mutton tallow, soyabean oil, palm oil, cork goods and sodium nitrite.*

The import policy is essentially export-oriented. Hence the change in its nomenclature and it will now be called Foreign Trade Policy. Though it contains a mixture of concessions and restrictions for private trade, it is essentially a continuation of the current year's policy which has been rated as the most successful in recent years.

Exports in 1968-69 were the highest and imports and the trade deficit the lowest in the whole decade, according to Mr. K. B. Lall, Commerce Secretary. It was, therefore, only natural, he said, that in broad terms this "carrot and stick" policy be continued in the first year of the Fourth Plan.

The policy, which was presented to Parliament by Mr. B. R. Bhagat, Minister of Foreign Trade and Supply, on March 31 put 316 more items on the banned list of imports and placed some restrictions on the import of another 129 items whose import by actual users was allowed without restrictions. The quotas of established importers in 19 other items have been reduced. But where it is essential in the interest of exports, the import of banned items will be allowed.

The policy of according favoured treatment to 59 priority industries will be continued. But the majority of the units belonging to 10 priority industries selected for special treatment may have their import quotas cut in the coming year for failing to keep the commitment of exporting five per cent of their produce.

In a broadcast later over **All-India Radio,** Mr. Bhagat said: "Our exporters have succeeded in winning the confidence of foreign importers in the quality of our products and of our capacity to deliver them in accordance with the terms of sales contract".

The new policy provides several fresh incentives to export. Established export houses, which were so far allowed only to export and not to import, will now be able to function as general trading houses engaged in both exports and imports like their counterparts in the West.

These houses will be allowed to build ready stocks of essential industrial materials. It will help manufacturer-exporters to draw their "off-the-shelf" import requirements from the export houses and to reduce the time lag in deliveries.

The Government will give the export houses foreign exchange to build up their initial stocks. Thereafter they will have to replenish them against the import licences of the actual users.

Another innovation planned is the registration of long-term export contracts so that these contracts are not adversely affected by the annual changes in the foreign trade policy.

The new policy also contains measures to liberalize the supply of financial, technical and managerial assistance to exporters.

(**The Statesman,** New Delhi)

[Prev. ref. 8282:INI:F]

B. Indo-Ceylon Tentative Agreement On Kachchativu Island: India and Ceylon agreed on March 17 to refrain from taking any administrative action to alter the status quo or buttress their respective claims to Kachchativu in the Palk Straits during the Easter festival, pending a peaceful settlement of the minor territorial dispute.

It was decided that neither country will send any uniformed policemen or Customs officials, or resort to aerial reconnaissance or naval patrolling of the adjacent waters during the four-day St. Anthony's festival in the third week of March when pilgrims from India and Ceylon go to Kachchativu to worship at the local Roman Catholic church.

Last year, Ceylon sent a police contingent and a Customs squad to regulate the flow of pilgrims from both countries, Ceylonese aircraft and naval boats also patrolled the southern side of the Palk Straits to ensure that no illegal immigration or smuggling took place.

But now it was agreed that there would be only plain-cloths policemen to maintain order and regulate the movement of pilgrims. The Customs and health officials would operate from their respective territories as the pilgrims proceeded to Kachchativu and returned home.

(**The Times of India,** Bombay)

[Prev. ref. 8728:INI:B]

C. Andhra Pradesh Budget (Vote On Account): The Andhra Pradesh Budget for 1969-70 presented by the Chief Minister and Finance Minister, Mr. K. Brahmananda Reddy, to the State Assembly in Hyderabad on March 3 disclosed a deficit of Rs. 8.5 crores on revenue account.

Mr. Reddy proposed no new taxes because he hoped that the entire revenue gap would be covered by the award of the Fifth Finance Commission.

For the present, he said, he was only seeking a vote on account for six months until September, 1969 as in the meantime, the award of the Finance Commission would have been released. By that time, the Fourth Five-Year Plan would also have been finalized and the Telengana surpluses worked out.

The Budget estimates provide for a total revenue of Rs. 279.91 crores and an expenditure of Rs. 288.47 crores. The total estimated capital output is Rs. 40.19 crores. A sum of Rs. 18.11 crores is provided for disbursements as loans and advances. The year is expected to close with a minus cash balance of Rs. 45.94 crores.

Interim Award:

Under the **Interim** Award of the Finance Commission, he said, what Andhra Pradesh would get for the next financial year (1969-70) by way of its share of taxes and duties and grants would not even marginally cover the revenue gap.

In its final memorandum to the Finance Commission, he said, the State Government had urged larger devolution of taxes and duties and increase of grants-in-aid to cover the minimum requirements, including the committed expenditure in respect of the past three years' annual Plans.

The State's draft Fourth Plan envisaged a total outlay of Rs. 650 crores. Central assistance had yet to be settled as some issues regarding allocation of outlays between the Central and State sectors remained unresolved.

Not to speak of the size of the Fourth Plan, the annual Plan for 1969-70 was still to be finalized. Because of the particularly difficult resources position, the outlay on the annual Plan had been restricted to Rs. 84.87 crores, which, according to him, was the minimum required to meet spillover commitments, specially under power and irrigation.

The Budget makes a provision of Rs. 7 crores for the special development of the Telengana area and Rs. 6 crores for the Pochampad project in the area. The latter provision was double of what was allotted last year.

(**The Hindu,** Madras)

[Prev. ref. 8241:INI:L]

D. Bihar Legislature—Governor's Address: Addressing the joint session of the Bihar Legislature in Patna on March 13, the State Governor, Mr. Nityanand Kanungo, outlined the Government's programme for the year.

He welcomed the members to the new Assembly and expressed satisfaction at the peaceful conduct of the mid-term poll in the State.

He said that his Government was determined to maintain law and order at all costs. It was then only that the development schemes could be executed efficiently. He expressed the hope that all sections of the people would come forward to lend their helping hand in the making of a prosperous Bihar.

He added that a Regional Development Council would be constituted for advising the Government on the all-round development of Chotanagpur and Santal Parganas in view of their special problems.

(**Indian Nation,** Patna)

[Prev. ref. 8174:INI:M, 8814:INI:A]

E. Bihar Budget: The Bihar Budget for 1969-70, presented to the Legislative Assembly in Patna by the Chief Minister, Mr. Harihar Singh, (who is also Finance Minister) on March 13, revealed a net deficit of Rs. 41.72 crores, including Rs. 31 crores on revenue account.

He indicated that the cumulative deficit in the Consolidated Fund at the end of the financial year might soar to Rs. 101.92 crores.

He pointed out that the current financial year was likely to end with a deficit of Rs. 60.20 crores and said that part of the deficit would be covered by public loans to be floated in the next financial year.

In keeping with the Planning Commission's suggestions, the Government was also considering a proposal to float rural debentures. The small savings drive would be intensified to raise additional resources.

He did not suggest any new taxation measures.

The Government also proposed to start lotteries with a view to raising additional resources.

The Budget proposals for the next financial year envisaged revenue receipts of Rs. 180.75 crores. Revenue expenditure was estimated at Rs. 211.88 crores. The net deficit on revenue account would thus amount to Rs. 31.13 crores.

The additional deficit of Rs. 10.59 crores on capital budget would increase the net deficit to Rs. 41.72 crores during the next financial year.

The capital receipts for the next financial year were estimated at Rs.

211.50 crores as against an expenditure of Rs. 222.09 crores.

(Indian Nation, Patna)

[Prev. ref. 8272:INI:S, 8509:INI:D]

F. Goa Budget: The Goa Chief Minister, Mr. Dayanand Bandodkar, who also holds the Finance portfolio, presented to the Goa, Daman and Diu Assembly the Budget of the Union Territory for 1969-70.

He said the receipts on revenue account were estimated at Rs. 59.6 crores and expenditure on revenue account would be Rs. 112.3 crores, of which Rs. 19.5 crores would be for Plan schemes and Rs. 92.7 crores for non-Plan expenditure.

No new taxes were proposed for the time being.

(The Times of India, Bombay)

[Prev. ref. 8273:INI:W]

G. Gujarat Assembly—Governor's Address: *Addressing the opening session of the Gujarat Legislative Assembly in Ahmedabad on February 3, the Governor, Mr. Shriman Narayan, said that the State Government had requested the Government of India to refer the Narmada project dispute to a Tribunal under the Inter-State Water Disputes Act, 1956.*

He added, however, that the prospects of a negotiated solution of the problem appeared bleak.

Mr. Narayan referred to the Government's efforts to provide, improve and extend irrigation facilities in the State and said that steps had been taken to ensure that the Ukai Dam was completed on schedule by June, 1971.

About the vagaries of weather and the unprecedented floods in August, 1968, he said the Government had decided to conduct surveys and investigations on other rivers. A special organization would prepare schemes for flood control and protection. He sought the co-operation of upstream States in this.

He hoped that the Central Government would soon clear the Dharoi project which, besides raising the irrigation potential, would supply water to Ahmedabad city and Gandhinagar.

The aims of the industrial policy, for which the Government had set up a high-power Commission to provide speedy directions, he said, were the creation of an optimum infra-structure, appropriate institutions and package assistance modulated to the needs of different sectors. "Our experiment in the joint sector, as exemplified in the Gujarat Fertilizers Company, has not only paid off but strengthened our belief in the significant role which the sector can play in the economy."

Despite the food deficit in the State, he went on, Gujarat had become one of the leading States in per-acre yield of foodgrains.

(The Times of India, Bombay)

[Prev. ref. 8174:INI:M]

H. Gujarat Budget: Presenting the Gujarat Budget for 1969-70 to the Legislative Assembly on February 14, the State Finance Minister, Mr. Jaswant Mehta, announced a Rs. 6.89-crore deficit Budget. There were no fresh taxation proposals.

Mr. Mehta said that the actual overall revenue deficit would be Rs. 30.25 crores, but he would be bringing it down to Rs. 6.89 crores by adopting several measures other than taxation.

The revenue receipts for the current year (1968-69) would be Rs. 165.83 crores and revenue expenditure, Rs. 187.04 crores. Together with this year's opening deficit, there would be an overall revenue deficit of Rs. 30.25 crores.

Out of the total revenue deficit, the non-Plan deficit was Rs. 18.12 crores. The Finance Commission had not recommended any grant to Gujarat in its **interim** report.

He said he intended to resort to rural debentures and withdrawals from reserves.

He also told the House that the Government proposed to introduce in the current Assembly session a new Gujarat Sales-Tax Bill for simplification of the Sales-Tax procedure. The simplification would be on the basis of the Sales-Tax Enquiry Committee's recommendations.

(The Times of India, Bombay)

[Prev. ref. 8241:INI:M]

I. Haryana Budget: Presenting the Haryana Budget for 1969-70 to the Legislative Assembly in Chandigarh on February 10, the State Finance Minister, Mrs. Om Prabha Jain, proposed no new taxes and revealed a deficit of Rs. 1.45 crores on revenue account.

The overall deficit during the year was, however, expected to be reduced to Rs. 1.24 crores because of loans and fresh public debt. The net deficit was being left uncovered for the present.

She noted that the budgetary position at the end of 1968-69 would be a distinct improvement over the earlier estimates. The current year (1968-69) which had opened with a minus balance of Rs. 7.71 crores and should have closed according to the earlier estimates with a deficit of Rs. 8.16 crores, would now close with a deficit of Rs. 6.50 crores. Even this gap would be narrowed after credit was taken for a loan of Rs. 1.40 crores from the Centre in respect of the rural electrification scheme implemented in 1967-68.

The improvement in the 1968-69 position was mainly due to strict control over non-Plan expenditure and better realisation of Government dues.

The total minus balance in the State exchequer at the end of 1969-70 would be Rs. 7.74 crores.

Revenue receipts in 1969-70 were estimated at Rs. 78.34 crores and revenue expenditure at Rs. 79.79 crores.

Capital expenditure during the next year would be about Rs. 7.33 crores.

The tax revenue of Rs. 42.28 crores would mainly come from sales-tax Rs. 12.76 crores, State excise duties Rs. 8.60 crores, share from Central taxes Rs. 8.44 crores, other taxes Rs. 1.10 crores and land revenue Rs. 1.48 crores.

(The Hindustan Times, New Delhi)

[Prev. ref. 8475:INI:V]

J. Haryana Ministry Expanded: The Haryana Cabinet was expanded on March 6 to include Mr. Ran Singh.

Mr. Ran Singh was among the three Ministers who had resigned on September 18, 1968 at the behest of Mr. B. D. Sharma. He was also among the 15 Congress members who accompanied the Opposition members to the Governor on December 9, 1968 to demand the dismissal of the Ministry. But within 36 hours, he returned to the party fold with six others. The technical position taken was that the seven had agreed "to stay on in the party in response to the Congress President's appeal."

The re-allocation of portfolios consequent upon Mr. Ran Singh's appointment is as follows:

Mr. Bansi Lal, Chief Minister—General Administration (including Public Relations, Home, Administration of Justice, Transport, Vigilance, Tourism, Education, Town and Country Planning, Public Works (Public Health and Technical Education), Industries and Industrial Training.

Mrs. Om Prabha Jain—Finance, Planning, Excise and Taxation, Revenue, Rehabilitation, Consolidation, Languages, Legislative, Cultural Affairs, Animal Husbandry, and Dairy Development.

Mr. Kanhaiya Lal Poswal—Irrigation and Power, Food and Supplies, Sports and Elections.

Mr. Khurshed Ahmed—Health, Local Government, Housing, Wakf, Development and Panchayats, Co-operation and Jails.

Mr. Ran Singh—Labour and Employment, Printing and Stationery, Social Welfare, Welfare of Scheduled Castes and Backward Classes, PWD (Building and Roads), Architecture, Forests, Fisheries, Wild Life Preservation, Colonization and Agriculture.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8399:INI:M, 8819:INI:H]

K. Himachal Pradesh Assembly —Governor's Address: Opening the Budget session of the Himachal Pradesh Legislative Assembly in Simla on March 4, the Lieut-Governor, Mr. Bahadur Singh, expressed the hope that the day was not far off when Himachal would become a full-fledged State.

He pointed out that the Union Territory administration was engaged in the task of augmenting resources. Himachal had an immense power potential which, if fully exploited, would yield Rs. 55 crores a year. The Giri-Bata project would begin yielding Rs. 1.50 crores after a year or two. Other schemes included the Siul project, the Parvati Valley project and the Upper Slapper Dam project. The Siul alone would bring Rs. 3 crores and the Upper Slapper Rs. 15 crores a year.

The Government had demanded a share in the royalty on electricity and abiana from projects based on Himachal waters. This would provide to its exchequer another Rs. 10 crores annually.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 7674:INI:L]

L. Himachal Pradesh Budget: Fresh taxation to the tune of Rs. 1.40 crores was proposed by the Himachal Pradesh Finance Minister, Mr. Karam Singh, while presenting the Budget estimates for 1969-70 in the Assembly in Simla on March 12.

It included tax on the purchase of timber, apples, potatoes, ginger, vegetables, a levy on vehicles crossing important bridges, increases in royalty from minerals and a levy on the manufacture and export of Indian-made foreign spirits and beer.

A nominal fee was also proposed on out-door patients and on treatment of animals.

He also proposed to start a State lottery.

He said that fresh taxes were being imposed in an effort to raise Himachal Pradesh resources.

He said that during 1969-70, the estimated income of Himachal Pradesh would be Rs. 19.74 crores and expenditure Rs. 31.71 crores besides Rs. 3.54 crores on Centrally-sponsored schemes. This left a deficit of Rs. 11.97 crores to be balanced from Central grants.

He revealed that domestic receipts of Himachal Pradesh had increased by Rs. 4.25 crores as compared to 1968-69. The net expenditure, on the other hand, had increased by Rs. 2.46 crores during the period. Raising of new resources by taxation and other economy measures had brought Himachal Pradesh to a much happier position as regards its income and establishment charges in which it was in surplus by Rs. 52,00,000 now as against a deficit of Rs. 2.58 crores last year (1968-69).

(**The Hindustan Times,** New Delhi)

[Prev. ref. 7675:INI:M]

M. Jammu & Kashmir Assembly —Governor's Address: Opening the joint session of the Jammu & Kashmir Legislature in Jammu on March 3, the Governor, Mr. Bhagwan Sahay, said that the outlay of the State's Fourth Plan had been fixed at Rs. 145 crores and that the entire sum would be provided by the Central Government.

The State, he said, had earlier asked for an outlay of Rs. 225 crores. Within the reduced outlay, efforts would be made to attain an annual growth rate of at least six per cent.

He emphasized that development programmes would be mainly aimed at reducing regional imbalances and development of backward areas. For this purpose, development boards would be set up at the State level and in the regions.

Agricultural development would continue to receive priority during the forthcoming financial year (1969-70)

In Jammu, work was being started on the Rs. 22-crore Ravi-Tawi irrigation scheme. The project, when completed, would irrigate an area of 1,20,000 acres.

Dealing with the law and order situation in the State, he said that it had remained fully under control. The Government had followed a policy of liberalization and given to all shades of opinion the freedom to express their views. The challenge posed by certain secessionist forces had been met. No attempt to disturb law and order was countenanced. Continuing attempts by Pakistan at subversion and sabotage were being met effectively. A number of cells of anti-national elements had been unearthed. The Police Department was being re-organized to make it more effective in the enforcement of law.

(**The Statesman,** New Delhi)

[Prev. ref. 7675:INI:N]

N. Jammu & Kashmir Budget: The Jammu and Kashmir State's Budget for 1969-70, presented to the State Assembly on March 10 by the State Finance Minister, Mr. G. L. Dogra, revealed a deficit of Rs. 9.20 crores on revenue account.

Mr. Dogra estimated revenue receipts at Rs. 58.21 crores while expenditure on this account was estimated at Rs. 67.41 crores after providing for an amount of Rs. 7.20 crores on account of interest charges due for payment to the Central Government. The receipts included an amount of Rs. 5.65 crores sanctioned as increase in the grant-in-aid on the basis of the **interim** award of the Finance Commission. The budgetary position, which had left a gap of Rs. 9.20 crores, would be met with on revenue account alone.

He said: "It is proposed to have an additional resources mobilization of at least Rs. one crore during the next financial year. The proposal within the frame-work of existing taxation laws are under the consideration of the State Government."

After taking credit for additional resources mobilization, he said, the gap on revenue account would still be of the order of Rs. 8.20 crores.

He announced the State Government's plan to start a lottery to yield Rs. 10,00,000.

The Plan outlay for 1969-70 was Rs. 23.71 crores as against Rs. 22.93 crores in 1968-69. Highest priority had been given to agricultural production and power generation on which more than Rs. 13 crores would be spent.

(**The Statesman** and **The Times of India,** New Delhi)

[Prev. ref. 8273:INI:V]

O. Kerala Budget: Presenting the Kerala Budget for 1969-70 in the Legislative Assembly on February 8, the State Finance Minister, Mr. K. P. Kunju, hoped that the Finance Commission's award would help cover the Rs. 20.06-crore deficit through transfer of more resources from the Centre. Increased exploitation of non-tax revenue sources was contemplated to improve the State's finances.

He announced the Government's decision to abolish school fees in Standards IX and X, thus making secondary education free in Kerala. This would result in a revenue loss of Rs. 1.30 crores per annum.

The Budget contained a provision of Rs. 2.50 crores for raising the dearness allowance of the State Government employees and Rs. 3 crores for food subsidy.

It was also proposed to grant advances to Government employees for maintaining trade deposits in co-operative stores so that they could buy their requirements at reasonable prices on credit. He said the Government would also be implementing the recommendations of the Pay Commission. (The Commission's proposal would involve an *immediate additional* annual commitment of Rs. 2.25 crores).

The Budget had also a token provision for the formation of two additional districts and for re-organization of taluk and Community Development blocks to facilitate better attention to backward areas.

The provision in the Budget for the State's annual Plan for 1969-70 was only Rs. 37.17 crores as against a total expenditure of Rs. 46.60 crores in 1968-69. The provision had been reduced by · Rs. 9.43 crores, taking into account the expected. Central assistance (Rs. 31.10 crores) for the 1969-70 Plan and the State's own resources.

He said that the 1969-70 Plan gave priority to early completion of spillover schemes, especially quick-yielding ones. Schemes involving additional staff had been avoided to a large extent.

(**The Hindu**, Madras)

[Prev. ref. 8241:INI:N]

P. Madhya Pradesh Assembly—Governor's Address: Opening the Budget session of the Madhya Pradesh Legislative Assembly in Bhopal on February 17, the Governor, Mr. K. C. Reddy stressed that Madhya Pradesh had no dispute with any other neighbouring State in regard to such major rivers as the Narmada, because the dams that were to be built on these rivers and the water that would thus be made available would remain within this State.

After the Third Five-Year Plan, he said, 94 irrigation projects were started in 1968-69. Of these, nine would be completed by the end of March, 1969 and 40 more in the course of the next financial year (1969-70).

A directorate of tube-wells had been set up in the State and it had been planned to dig 7,000 shallow wells and tube-wells in the next three years. It was a matter of satisfaction that tube-wells had succeeded where they had till now been found to be a failure. Besides, 13,000 wells would have been energized by the end of March, 1969 while in the next year, 15,000 new lift pumps would have been installed.

Referring to the dacoity menace, he said, the Government was vigilant about the problem. During the previous year (1967-68) and in the current year (1968-69), 73 encounters had taken place with the outlaws and 53 dacoits were killed while 507 had been taken into custody. Five policemen were killed and four officers gravely injured in the incidents.

He announced that 20 per cent of the non-technical vacancies in Class II would be reserved for ex-defence personnel. In Class III and IV services, five per cent of the vacancies would be filled by ex-armymen.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 7675:INI:P]

Q. Madhya Pradesh Budget: The Madhya Pradesh Budget estimates for 1969-70, presented in the Legislative Assembly by the State Finance Minister, Mr. V. S. Pradhan, on February 21 revealed an overall deficit of Rs. 33.93 crores.

The estimated revenue receipts during 1969-70 were Rs. 187.35 crores, while the estimated expenditure was Rs. 210.44 crores.

While leaving uncovered a deficit of Rs. 23.09 crores on revenue account, Mr. Pradhan proposed the introduction of a State-run raffle and enhanced sales-tax on foodgrains and cash crops and water rates to reduce the deficit of Rs. 10.84 crores on other accounts to Rs. 3.99 crores.

He said he was leaving the revenue deficit uncovered in the hope that the Fifth Finance Commission would consider the genuine requirements of the State and bridge this through devolution of Central taxes and make a further grant.

As regards the uncovered gap of Rs. 3.99 crores on other accounts, he said, he proposed to await the presentation of the Central Budget to see whether, as a result, the receipts of the State Government from Central taxes and duties would improve.

He announced the introduction of a State lottery during next year, to yield an income of Rs. 60,00,000 in the next financial year.

He decided to revise the fees under the Motor Vehicles Act and estimated the additional revenue from this at Rs. 10,00,000.

He also announced a steep rise in the rates for the supply of water from Government water works and estimated it would fetch the exchequer Rs. 50,00,000 extra every year. The existing irrigation rates would be raised. There would be an increase in the tax on land growing cash crops. Thus, the land where cotton, groundnut, opium, sugarcane and tobacco were raised, would be liable to a tax of Rs. 4 per acre in place of the existing rate of Rs. 2 per acre. State trading in minor forest produce, which had been decided upon in the past but for which Presidential assent had not been secured, would be brought into force from the next financial year. The measure was expected to yield Rs. 55,00,000 in 1969-70. Fifty per cent of the enhanced dearness allowance granted from March 1, 1969 would be deposited in the Provident Fund accounts of the employees. This would improve the balance in the public accounts of the State by Rs. 1.50 crores.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8241:INI:O]

R. Maharashtra Legislature—Governor's Address: Addressing the joint session of the Maharashtra Legislature in Bombay on March 10, the State Governor, Dr. P. V. Cherian, said that the State Government was completely opposed to the fascist methods adopted by the Shiv Sena in Greater Bombay and condemned unequivocally the violence, arson and looting which took place in February.

The Government, he said, would enforce with all its authority at its command full protection to all its citizens irrespective of caste, creed or language and would not allow them to be coerced or in any way subjected to any violence or humiliation in this State. The Government was confident that the people of the State would wholeheartedly adhere to democratic principles, and would see that the fair name of the State was not allowed to be maligned and sullied by anybody or any party for its own interests.

On the Maharashtra-Mysore boundary dispute, he said that the Government re-iterated its confidence that both Parliament and the Central Government would do justice to the people of the disputed areas.

The State Government had requested the Central Government to refer the Krishna-Godavari water dispute to a Tribunal for adjudication and pressed for setting up the adjudication machinery urgently when it became apparent that the issue would not be solved on some rational principles which would be fair to all the States concerned.

(**The Times of India**, Bombay)

[Prev. ref. 7676:INI:U]

S. **Manipur Budget:** Manipur's Finance Minister, Mr. L. Solomon, presented to the State Assembly in Imphal on March 10 the State's Budget for 1969-70 with a deficit of Rs. 10,57,95,000 on revenue account.

The deficit on capital account, he said, was Rs. 3,59,05,000.

The total expenditure would be Rs. 16,06,06,000.

Mr. Solomon said that with a view to narrowing down the gap, action was now in hand to augment sales-tax for certain commodities, including motor spirit and lubricants, amusement tax and motor vehicle tax. A profession and trades tax was also being introduced.

(**The Statesman**, Calcutta)

[Prev. ref. 8145:INI:F]

T. **Mysore Budget:** The Mysore Budget for 1969-70 presented to the State Assembly in Bangalore on February 24 by the Finance Minister, Mr. Rama Krishna Hegde, showed an overall deficit of Rs. 13.22 crores.

Mr. Hegde said that the State's income had now crossed the level of Rs. 200 crores. At the existing level of taxation, revenue for the next year was expected to reach Rs. 213.26 crores and expenditure on revenue account Rs. 226.48 crores.

He did not propose any new taxes, but indicated that the State might take steps to raise fresh resources after getting the recommendations of the State Taxation Enquiry and Resources Committee.

He announced increased dearness, city compensatory and house rent allowances totalling Rs. 3.25 crores annually to employees of the State Government, local bodies, aided institutions and Government industrial concerns.

He anticipated that a good portion of the revenue deficit "may be covered by the award of the Finance Commission. The balance was expected to be made good by an **ad hoc** loan since the State could initiate measures to raise fresh resources only on the recommendation of the State Taxation Enquiry and Resources Committee headed by Mr. S. Boothalingam."

He placed the debt position of the State at the end of 1969-70 at Rs. 397.52 crores, which was besides the outstanding balances under unfunded debt and deposits of Rs. 28.47 crores.

(**The Hindu**, Madras)

[Prev. ref. 8242:INI:Q]

U. **Nagaland Ministry:** Sixteen members of the Nagaland Ministry were sworn-in on February 22.

Their portfolios are:

Chief Minister, Mr. Hokishe Sema — General Administration, Home, Information and Publicity and the departments not specially assigned to any Minister.

Cabinet Ministers:

Mr. R. C. Chitten Jamir—Finance, Revenue, Planning, Industry and Commerce;

Mr. John Bosco Jasokie—Education, Forests and Mining;

Mr. T. N. Angami—PWD and Electricity;

Mr. Akum Imlong—Tuensang Affairs, Supplies and Excise;

Mr. T. Kikon—Agriculture, Law and Parliamentary Affairs.

Ministers of State:

Mr. N. L. Odyuo—Transport, Communication, Relief and Rehabilitation;

Mr. Ihezhe Sema—Medical, Public Health and Co-operation;

Mr. Koramoa Jamir—Community Development, Town and Country Planning;

Mr. Chingwang Konyak—Animal Husbandry and Veterinary;

Mr. Weprenyi Kapfo—Education and Social Services.

Deputy Ministers:

Mr. Zulutemba Ao—Forests and Fisheries;

Mr. Riga Thong—PWD;

Mr. Nihovi Sema—Information and Publicity;

Mr. Pochi Hafso—Medical and Public Health;

Mr. Punuho—Agriculture.

(**The Statesman, Calcutta**)

[Prev. ref. 8814:INI:A]

V. **Nagaland Assembly—Governor's Address:** Inaugurating the first session of the new 52-member Nagaland Legislative Assembly re-constituted after the recent General Elections, the Governor, Mr. B. K. Nehru said that the Government machinery had been adequately strengthened throughout the State in order to consolidate the forces of law and order on a permanent basis and that the situation was normal.

In pursuance of a resolution passed by the House in March, 1968, he said, the State Government had assumed full responsibility for maintaining law and order and to protect the people against terrorization by the underground Nagas.

Referring to various measures adopted by the State administration to ward off any possible threat to peace and security, he said: "With the police battalions which the Central Government has placed at our disposal and with raising of our own Nagaland Armed Police, we are now in a position to spread our protective wings throughout the State."

To make the police force effective and mobile, he said, the required number of light and medium vehicles had been provided. Orders had also been issued for the procurement of heavy vehicles for quick and rapid communication. A net-work of police wireless communication had already been established. In the district of Tuensang, bordering Burma, village guards had been raised in all the important border villages.

(**The Statesman,** Calcutta)

[Prev. ref. 7677:INI:X]

W. **Nagaland Budget:** An expenditure of Rs. 35.62 crores was envisaged in the Nagaland Budget for 1969-70 presented to the Assembly by the Finance Minister, Mr. Chitten Jamir in Kohima on March 15.

Mr. Jamir said that the State Government would supplement some tax laws already enacted by the Assembly.

The Budget contained no new taxes.

He said that the Government proposed to meet the expenditure by drawing on the Consolidated Fund to the tune of Rs. 28.77 crores. The receipts came to only Rs. 1.23 crores.

(**The Statesman,** Calcutta)

X. **Orissa Assembly—Governor's Address:** Addressing the opening session of the Orissa Assembly in Bhuvaneshwar on February 24, the Governor, Dr. S. Ansari, said that the State Government proposed to take action on the Khanna Commission's findings against the former Chief Ministers, Mr. Biju Patnaik and Mr. Biren Mitra.

The Government, he said, would take action on the findings which related to the loss suffered by the Government and public sector undertakings by the actions of the two former Chief Ministers and also those relating to their personal and family interests.

He said that the State's Fourth Plan outlay was too inadequate even to implement the schemes on hand. The Planning Commission had suggested an outlay of Rs. 179 crores. The Plan outlay should be at least Rs. 265 crores to achieve a growth rate of 5 per cent during the Fourth Plan period.

(**The Statesman,** Calcutta)

[Prev. ref. 8241:INI:K]

Y. **Orissa Budget (Vote On Account):** The Orissa Budget estimates for 1969-70 presented to the State Assembly in Bhuvaneshwar on March 12 showed a revenue deficit of Rs. 12.28 crores at existing rates of levies and a capital account deficit of Rs. 13.65 crores.

Presenting the Budget, the Chief Minister, Mr. R. N. Singh Deo (who also holds the Finance portfolio), announced that he proposed to reduce the revenue deficit through measures to bring in Rs. 2.75 crores.

These proposals included imposition of a tax on bus fares, a toll on expressway, revision of sales tax and motor vehicles tax, rationalization of assessment of agricultural income-tax and of the rates of stamp duties, increase in the rate of land cess and collection of "salami" for leasing Government land.

Taking into account this additional income, the revenue receipts in the Budget were shown as Rs. 121.38 crores and expenditure was put at Rs. 130.91 crores, resulting in a deficit of Rs. 9.53 crores.

The forecast of a surplus of Rs. 88,00,000 in the current year's Budget (1968-69) thus turned out to be wide of the mark. The revised estimates revealed that the year would close with a deficit of Rs. 12.73 crores. To make good this gap, the State Government had asked the Government of India for **ad hoc** assistance.

New schemes worth Rs. 40.61 crores were provided in the Budget estimates, both on revenue and capital accounts.

Pending a detailed consideration of the Budget, Mr. Singh Deo presented a vote account statement of expenditure of Rs. 43 crores in the first three months of next year.

(**The Statesman,** Calcutta)

[Prev. ref. 8242:INI:R]

Z. **Pondicherry Elections—DMK Forms Ministry:** No party was able to secure an absolute majority in the mid-term elections to the Pondicherry Assembly held on March 10, though the Dravida Munnetra Kazhagam emerged as the largest single party.

In its first attempt to enter the Assembly, DMK secured 15 seats in the 30-member House, while its ally, the Right Communist Party, was returned in three places.

The DMK and the Right Communists contested the elections with an electoral understanding.

The Congress, which had fielded 30 candidates, had secured only ten seats. In the last General Election held in the Union Territory in 1964, it had secured 22 seats. Its strength got depleted in the Assembly later due to large-scale defections, resulting in President's Rule being imposed in September, 1968.

Independents won two seats—one in Mahe on the Kerala coast and the other in Yenam on the Andhra coast.

Among the notable successes was that of the former Chief Minister, Mr. Farook Maricar, who contested on the DMK ticket from the Calapeth constituency. He defeated his Congress rival, Mr. Murugesa Mudaliar, by a margin of 1,400 votes in a straight contest.

The only Muslim League candidate—Mr. A. M. Hameed Maricar—from Karaikal North constituency was defeated by Mr. Jambulingam (C). The League was a constituent of the front consisting of the DMK and CPI.

The biggest defeat was that of the former Congress Chief Minister, Mr. V. Venkatasubba Reddiar, in the Nettapacom constituency at the hands of a DMK candidate, Mr. D. Ramachandran and a relation of Mr. Reddiar, by a margin of only 152 votes.

Mr. V. K. Subbiah, Right Communist leader, retained his seat from Modeliarpeth (Pondicherry) by defeating his sole Congress rival, Mr. A. S. Janakiraman, by a majority of 1,839 votes.

The other Right Communist elected was Dr. N. Ranganathan from the Mellithope constituency (Pondicherry).

According to the Chief Election Commissioner, 70 to 72 per cent of the electorate exercised their franchise in Pondicherry region and 65 to 70 per cent in Karaikal region.

The total number of voters in this Union Territory is 229,000.

Mr. Farook Maricar (32) was unanimously elected leader of the Dravida Munnetra Kazhagam Legislature Party in Pondicherry on March 13.

New Ministry:

The "DMK-Communist alliance" Ministry of Pondicherry headed by Mr. Farook Maricar was sworn-in by the Lt.-Governor, Mr. B. D. Jatti, on March 17.

The five-member Cabinet consists of four DMK Ministers and one Right Communist.

They are: Mr. Farook Maricar, Mr. S. Arumugham, Mr. D. Ramachandran, Mr. S. Ramaswamy (all DMK), and Mr. V. Subbiah (CPI).

(**The Hindu,** Madras)

[Prev. ref. 8555:INI:I, 8652:INI:Y]

JAPAN

A. **Budget Passed By Lower House:** The House of Representatives passed in the first week of March the 6,739,500 million yen Budget for 1969. The vote was 251 for and 183 against.

The Lower House approval came about two hours after it had been passed by a majority vote at the House Budget Committee.

The Budget, completed by the Government on January 14 and introduced in the Diet late that month, puses portended an early dissolution for final action.

The Budget, which covered the general account of the Government, represented a 15.8 per cent expansion over the 1968 Budget.

The Opposition parties fired a broadside against the 1969 Budget following its passage through the House. They said the "expansionary Budget" would accelerate the upward price spiral and put a heavier burden on the people.

During the Budget Committee debate, the Prime Minister, Mr. Eisaku Sato, rejected Opposition allegations that the Liberal Democratic Party's decision to prepare legislation for restoring order to university campuses portends an early dissolution of the Lower House.

The Budget was automatically enacted 30 days after it was passed by the Lower House.

(The Japan Times, Tokyo)

[Prev. ref. 8252:JAP:A]

B. **Army Training For Students:** For the first time since the War the Army (or Ground Self-Defence Force as it is called in Japan), is training students, equipping them with rifles and integrating them into its training programme.

The group concerned consists mainly of students and a few graduates in their early twenties, and is led and mainly financed by the Japanese writer, Mr. Yukio Mishima, the most active Right-wing intellectual in Japan.

Some 50 members of this group, with Mr. Mishima at their head, were recently trained at a camp on the snow-covered slopes of **Mt Fuji** in basic fieldcraft and "guerrilla tactics" as Mr. Mishima describes them. They trained with the latest 1964-type Japanese rifle.

All these students are members of Mr. Mishima's **Tate No Kai** (Shield Society), a kind of private army whose self-proclaimed function is to act as a "nation guard" with a responsibility to "protect the Emperor", possibly by taking action against Left-wing students in the future.

Tens of thousands of Japanese civilians have stayed for short periods at Japanese army camps since the War, largely because they provide cheap camping holidays and a change of air. Mr. Mishima's group has been afforded quite unusual privileges, however. No other civilians are permitted to handle firearms in the camps. No other large group is permitted to train for a month at a time. No other group is receiving anything like the concentrated attention and professional care given to the **Tate No Kai**.

Mr. Mishima prepared the way for training his "army" by negotiations with the military authorities, especially the Defence Agency, two years ago. The principal concession he sought from the head of the Agency at the time was on an agreement to permit **Tate No Kai** students to handle firearms. After a year of negotiations, the matter was finally agreed, but **Tate No Kai** members are still not allowed to fire rifles. One striking feature of the **Tate No Kai** is their splendid khaki and green uniforms, paid for by Mr. Mishima and designed by him.

(The Times, London)

C. **Progress Of Aircraft Industry:** Japan's aircraft industry continues to have a steady growth.

It received a big boost in 1954 with the establishment of the Self-Defence Force. A steady flow of orders for defence purposes started coming in and military planes became the mainstay of the industry. To start with, most of these planes were of foreign design built under licensing agreements with Western manufacturers.

In recent years, however, the industry has come up with pure domestic makes, except engines and propellers, such as the YS-11 and MU-2. The former is a turbo-prop passenger transport plane, and the latter, a midget utility plane—"Flying Executive Suite"—both of which are winning high acclaim in the domestic as well as overseas markets.

Development of the YS-11, in particular, spells the most significant phase in the post-War history of the industry. Built with industry-wide-co-operation and Government support, the 60-seater enabled the industry to get rid of whole-sale dependence on military orders. It has also helped it advance into the overseas market.

Work on the basic design began in May, 1957. The semi-governmental Nihon Aeroplane Manufacturing Co. (NAMC) was established in 1957 and took over the task of management for manufacturing the YS-11. After eight years of work on the drawing board and the most rigid tests ever known, the No. 1 trial YS-11 successfully made a test flight in August, 1962. In designing the YS-11, the basic concept was a faster, bigger and more economic successor to the then out-dated, yet still tremendously popular, Douglas DC-3.

Since the YS-11 was first commissioned for regular domestic service about four years ago, the sales of the aircraft have steadily increased owing to its excellent STOL (short take-off and landing) performance, large transport capacity and low operational cost.

Since turboprop engines are used, the YS-11 is highly economical for short-distance flights. Moreover, because of a large wing area, the plane can take off and land on a short runway with as many as 60 passengers aboard. And compared with other planes of a similar class, it ensures a wider profit margin. YS-11 has thus caught on well among foreign airlines, which are impressed with its low frequency of troubles, ability to take off and land easily on the short runways of provincial airports, and large seats for passengers.

(The Japan Embassy, New Delhi)

[Prev. ref. 8636:JAP:D]

D. **New Okinawa Law On Foreign Investments:** The Government of the Ryukyu Islands on March 4 enforced a controversial law to regulate foreign investments in Okinawa in defiance of continued opposition by the US Civil Administration.

The law limits foreign investments in Okinawan industries up to a maximum of 5 per cent alien ownership of any local enterprise in case of foreign individuals and 35 per cent in case of foreign corporations.

It was passed by the Ryukyu Legislature and signed into law in September, 1968 by Mr. Seiho Matsuoka, then Chief Executive of the Government of the Ryukyu Islands.

Mr. Chobyo Yara, Chief Executive, who succeeded Mr. Matsuoka in December, signed an order to enforce the law after turning down a request by the US Civil Administrator, Mr. Stanley S. Carpenter, for halting its enforcement.

(The Japan Times, Tokyo)

[Prev. ref. 8696:JAP:B, 8802:JAP:B]

PAKISTAN

A. **Exit Of F-M. Ayub Khan—Gen. A. M. Yahya Khan Takes Over – Martial Law Proclaimed:** F-M. Mohammed Ayub Khan (61) stepped down from power on March 25 in the face of a massive wave of bloodshed and lawlessness which had swept the country for nearly five months.

In a broadcast to the nation, he announced that he was standing down as President after a decade of rule and was handing over power to the Army Commander-in-Chief, Gen. Agha Mohammed Yahya Khan (52).

With his voice showing slight emotion, F-M. Ayub Khan said that the country was deteriorating day by day and its economy had also been shattered.

A separate announcement said that F-M. Ayub Khan was going on three months' leave, but it was stated on March 31 that he had left for Swat to stay with the Khan of Swat, who is related to him.

Gen. Yahya Khan, with the backing of the Army, Navy and Air Force, immediately proclaimed Martial Law throughout the country.

Gen. Yahya Khan, like President Ayub Khan, is a Pathan from N-W Frontier.

On March 31, Gen. Yahya Khan took over as President of Pakistan, within seven days of his becoming the Chief Martial Law Administrator. He is to function as President till a new Constitution is framed by elected representatives.

[In his broadcast as the Chief Martial Law Administrator on March 26, he had said: "I have no ambition other than the creation of conditions conducive to the establishment of a constitutional Government."]

He said in a proclamation that he "has assumed office" of Presidentship since the day Mr. Ayub left the scene.

An official announcement said it had become necessary for the Chief Martial Law Administrator to assume the office of Presidentship for "proper functioning of national and international practices and usages."

The proclamation said that while laying down the office of Presidentship, Mr. Ayub Khan had "'handed over all powers" to him as Chief Martial Law Administrator and Supreme Commander of the Armed Forces and that the assumption of office of President by him "became effective from the 25th of March."

F-M. Ayub Khan's Exit:

F-M. Ayub Khan's dramatic exit from Pakistan's politics came after weeks of near anarchy in East Pakistan in particular, with gangs of men roaming about summarily executing local officials, mostly supporters of F-M Ayub Khan's Muslim League Party, and peasants in a state of virtual revolt.

In the northern parts of East Pakistan, people's courts were formed, "wrong-doers" sentenced to death and quickly crucified, beaten to death or thrown into fires.

F-M. Ayub Khan had appealed passionately for order in his broadcast and made eleventh-hour concessions to his opponents by replacing the Governors of both East and West Pakistan.

He said that a strong Centre was essential for the very existence of Pakistan. He could not accept the demand of some Opposition parties that the Centre should be weak and the country should be divided into two parts. This was contrary to the very concept of Pakistan.

He recalled the decisions taken at the recent (March 10) Round Table Conference with Opposition leaders and said there were two unanimous demands and he accepted those demands—namely, a federal parliamentary form of Government and direct elections on the basis of adult franchise.

He had accepted them because, he thought, a strong Centre would be possible even by accepting these demands, but he was not prepared to make the Centre weak.

In a mood of complete despair, he said that if the National Assembly met in such a situation "it may be a target of bloodshed."

He said it pained him to announce that industrial and farm production had touched a new low and the economy had been severely crippled.

F-M. Mohammed Ayub Khan came to power in a bloodless military **coup** on October 27, 1958, ousting President Iskander Mirza. He ruled for ten years as a military strong man virtually without opposition.

On February 21, 1969, he bowed to a wave of unrest over his rule and pledged not to contest Presidential elections due before March 23, 1970 and to implement sweeping democratic reforms.

Despite agreement between him and Right-wing politicians at a Rawalpindi Round Table Conference on March 10, violence—which was believed to have taken more than 250 lives since November, 1968—continued, particularly in Pakistan's Eastern Wing.

Before President Ayub Khan's dramatic announcement, the situation in East Pakistan, where a wave of mob killings had already led to troops being called in, appeared to be returning to normal. But the country was gripped by a wave of labour unrest and industry was virtually paralysed, crippling the economy.

Gen. Yahya Khan's Proclamation:

Gen. Yahya Khan announced the dissolution of the National and Provincial Assemblies and placed the two Wings of the country under the charge of two administrators—Lt.-Gen. Mohammed Ataqur Rahman for West Pakistan and Maj-Gen. Muzaffaruddin for the Eastern Province.

He appointed three Deputy Martial Law Administrators from the three wings of the Defence Services —Lt.-Gen. Abdul Hamid Khan, Vice-Admiral Ahsan and Air Marshal Noor Khan.

Gen Yahya Khan said in a Proclamation: "I, General Khan Mohammed Yahya Khan, Commander-in-Chief of the Army, do hereby declare that the whole of Pakistan shall be under Martial Law with immediate effect and I assume the powers of Chief Martial Administrator and the command of all the armed forces of Pakistan.

"The Martial Law Regulations and orders shall be made by me as the Chief Martial Law Administrator or any officer or authority empowered by me and shall be published in such a manner as is convenient.

"Any person contravening Martial Law Regulations or orders shall be liable to such penalties as may be prescribed by the Regulations."

The Martial Law Regulations provided for the setting up of military courts for trial and punishment of any offences for the contravention of Martial Law regulations or orders.

The Proclamation said that "the Constitution of the Islamic Republic of Pakistan shall stand abrogated. Persons holding offices of President, members of the President's Council of Ministers, Governors of Provinces and members of their Council of Ministers shall cease to hold office with immediate effect. The National Assembly and the two Provincial Assemblies shall stand dissolved.

"Notwithstanding the abrogation of the Constitution and such regulations or orders given by the Chief Martial Law Administrator, all laws including Ordinances, Martial Law regulations, orders, rules, or such regulations, notifications and other instruments in force immediately before the abrogation of the Constitution shall continue to be in force.

"All courts and tribunals in existence immediately before the abrogation of the Constitution shall continue and exercise all their powers and jurisdictions which they would have exercised had the Constitution not been abrogated.

"All persons who immediately before the abrogation of the Constitution were in office such as the Chief Justice, judges of the Supreme Court or of any High Court, the

Comptroller and Auditor-General or others who had been in the service of Pakistan as defined in the Constitution shall, unless the Chief Martial Law Administrator otherwise directs, continue in the said office or in the said service on the terms and conditions as were applicable to them and shall continue to exercise their powers and perform their functions.

"Unless the Chief Martial Law Administrator otherwise directs, all other officers and authorities appointed, constituted or established under the Constitution shall continue and shall exercise all powers and functions which they may have exercised and performed had the Constitution not been abrogated."

Gen. Yahya Khan issued 25 regulations and four orders under the Martial Law.

Under the new orders, holding of public meetings and demonstrations without prior permission and **hartals** and lock-outs was banned.

Gen. Yahya issued his first decree under the Martial Law ordering all civilian fire-arms and ammunition turned over to the police within 24 hours.

In his first broadcast, he said the armed forces had no political ambitions. He promised early return to "democracy" based on adult franchise — when conditions were normal. The armed forces had to do their duty and "save the country from disaster. The armed forces belong to the people. They have no political ambitions and will not prop up any individual or party."

After initial excitement over F-M Ayub Khan's sudden decision, Karachi appeared peaceful—as if nothing untoward had happened. Cinemas and restaurants were opened and doing their normal good business.

The East Pakistan leader, Sheikh Mujibur Rahman, also sat quiet in his home in Dacca. The National Awami Party leader, Maulana A. H. Bhashani left for home.

The police arrested 21 labour leaders on the city's industrial area on March 27 on charges of instigating workers to strike—an offence under Martial Law regulations carrying a maximum penalty of 14 years' rigorous imprisonment.

The factory complex in Karachi had been crippled by a week-long strike until Gen. Yahya Khan imposed martial law.

The police also arrested eight people who had gone on a fast, charging them with attempted suicide-

Apart from the Karachi incident, the rest of the country was reported quiet with armed troops and police still keeping a firm grip in towns and cities which had been torn by four months of violent industrial strike and demonstrations against F-M. Ayub Khan's 10-year-old **regime.**

In what appeared to be a quick return of confidence in Gen. Yahya Khan's handling of the situation, the Karachi stock market showed a sharp recovery, with most stocks regaining losses suxered in the past month.

Throughout the country, ordinary workers, business men and even foreign visitors handed in fire-arms under Martial Law orders requiring the surrender of all weapons. Pathan tribesmen are not covered by the order.

In Karachi, the police estimated that nearly 15,000 pistols, revolvers and rifles were turned in. Among those handing in arms was the former Foreign Minister, Mr. Z. A. Bhutto, leader of the Leftist People's Party.

In Lahore, workers went back to work. Hunger-strikers had abandoned their posts and resumed their duties. For the first time in three months roads and streets were without processionists.

In Rawalpindi, tanks rumbled through the streets and kept guard at key Government installations.

A total of 459 Chinese-made tanks were reported outside the Cantonment railway station.

For the first time in many years, a correspondent in Rawalpindi said, office workers arrived punctually at 7-30 a.m.

The Administrator had imposed strict censorship on newspapers. Checkposts on the border have been instructed to keep a watch on "smuggling" of newspapers.

For the first time after the imposition of Martial Law, seven persons were tried by a Court Martial at Tangail on March 27 on charges of defiance of Martial Law regulations.

Military pickets were posted at Dacca, Chittagong and Rajshahi universities and also at the Mymensingh Agriculture College.

Cabinet Members Appointed:

Gen. A. M. Yahya Khan appointed two members of the Ayub Cabinet to advise him on administration on March 27.

The former Foreign Minister, Mr. Arshad Hussain, will advise him on foreign affairs and the former Defence Minister, Vice-Admiral A. R. Khan on defence.

Another former Ayub aide, Mr. Fida Husain, was appointed to advise Gen. Yahya Khan in General Administration and co-ordination.

Gen. Yahya Khan's Career:

Gen. A. M. Yahya Khan became Commander-in-Chief of the Army in 1966.

A stocky professional soldier, he has risen rapidly to the peak of an Army career.

At the age of 34, he became Pakistan's youngest Brigadier and at 40 his nation's youngest General.

For some time, he had been tipped as the man most likely to succeed F-M. Ayub Khan as President.

Born in 1917, a member of the old distinguished Quizibash family of Peshawar, Gen. Yahya Khan was commissioned in 1939 after graduating from Punjab University and the Indian Military Academy.

He was attached first to the Second Battalion of the Worcester Regiment and, after a year, to the Third Battalion of the Baluch Regiment in the North-West Frontier region. During World War II, he served in West Asia and Italy.

After the Indo-Pakistani Partition in 1947, he was promoted to the rank of Colonel, set up the Pakistani Staff College and later took command of various battalions. He became Brigadier in 1951 at the age of 34.

Senior appointments at Corps and GHQ followed until 1957 when he was appointed Chief of the General Staff with the rank of Major-General.

During the Indo-Pakistani conflict in September, 1965, he was in command of an Infantry Division and was awarded the order of Hilal-I-Jura't for his "boldness, determination and devotion to duty."

In 1960, when the capital development authority was instituted, Gen. Yahya Khan was appointed its first Chairman.

He was promoted Lieut-General in March, 1966, and appointed Deputy Commander-in-Chief. He succeeded Gen. Mohammad Musa as Commander-in-Chief of the Army on September 19, 1966, and was promoted to the rank of full General.

Events Before Martial Law—Round Table Conference:

The Round Table Conference between President Ayub Khan and the Opposition leaders had met for two hours on March 10 at Rawalpindi to discuss the Opposition demands for parliamentary system of government, regional autonomy and direct elections on the basis of adult franchise.

This session was the second of the Conference.

On March 12, Air Marshal Asghar Khan had walked out of the conference as a big political row flared over who was to blame for the latest outbreaks of violence in Pakistan.

On March 13, President Ayub Khan had announced that a broad agreement had been reached at the Round Table Conference on direct elections on the basis of adult franchise and a parliamentary system of government.

He told newsmen at the end of the RTC that these decisions would enable the country to "settle down" and that the people would no longer indulge in destructive activities.

The Democratic Action Committee was dissolved on March 13 as Nawabzada Nasrullah Khan, its convener, said that its eight-point programme had been achieved.

Mr. Z. A. Bhutto, who boycotted the Conference, expressed dissatisfaction at the outcome of the talks and re-iterated his demand for the immediate resignation of President Ayub Khan and the formation of a national care-taker Government.

The National Awami leader, Maulana A. H. Bhashani, who also declined Mr. Ayub Khan's invitation to the RTC, and that the President's acceptance of adult franchise and a parliamentary form of government were an "important step", but the country's problems could be solved only by Islamic socialism. "Political freedom is meaningless without economic independence."

The former East Pakistan Chief Justice, Mr. S. M. Murshed, commented that President Ayub Khan had taken away with one hand what he had given with the other.

On March 16, President Ayub Khan had replaced the West Pakistan Governor, Gen Mohammed Musa, by a civilian, Mr. Yusuf Haroon, to pave the way for a Parliament after almost ten years of military rule.

On March 23, Dr. N. M. Huda was sworn-in as the new Governor of East Pakistan.

Proposed Reforms:

The Law Minister, Mr. S. M. Zafar told a news conference in Rawalpindi on March 17 that Pakistan would have a federal parliamentary government headed by a Prime Minister and a nominal Head of State by March 23, 1970 when President Ayub Khan retired after ruling the country for more than 12 years.

Explaining the provisions of a new Constitutional Amendment Bill proposed to be moved in the National Assembly, Mr. S. M. Zafar said that the tenure of the National and Provincial Assemblies would be five years. The elections would be held in such a manner as to be completed by March 23, 1970 when the President's term expires.

He said that regional autonomy was inherent in the federal system envisaged in the Bill in terms of the decision of the Round Table Conference.

The Bill sought to amend 90 Articles of the present Constitution to incorporate the demoncratic reforms which the Opposition parties wrested from Mr. Ayub Khan in a four-month-long agitation.

The Centre would not be allowed to encroach upon the legislative powers of the Provincial Assemblies. The powers of the Central and Provincial Governments would be listed separately. If there is any dispute it would be decided by courts.

Under the federal system,, the Assemblies would have more financial powers than at present.

The salient points of the proposed Bill were:

(1) Election of National and Provincial Assemblies by direct adult franchise;

(2) Supremacy of the Legislature with power passing from the Presidency to the Prime Minister, who is responsible to Parliament;

(3) The Head of State is only to symbolise the authority of the State and to act on the Prime Minister's advice.

(4) A federal parliamentary system, with regional autonomy and a prohibition on the Centre legislating on provincial subjects. Transgression of each other's subjects by either the Centre or the provinces to be justifiable before the courts.

Pakistan would thus adopt a government pattern on the lines of India's.

Life in Pakistan was paralysed on March 17 by a rash of strikes organized by student bodies, political parties and workers' organizations.

In the Eastern Wing, where the strike seemed completely successful, traffic by air, rail and road came to a standstill. Ten towns of the West Wing, including Rawalpindi, Lahore, Hyderabad and Peshwar went without electric power for two hours.

At Multan, about 800 km from Karachi, six workers were injured when watchmen opened fire to prevent marchers from entering a cotton mill. Six watchmen were injured by stones thrown by workers.

Reports of incidents poured in from a number of other places where big workers' rallies were held.

Maulana A. H. Bhashani, chief of the pro-Peking National Awami Party, had given notice of a labour uprising in Pakistan.

The Pakistan Government had ordered troop movements from West Pakistan to East Pakistan in a bid to suppress the people's revolt there.

Two ships, the **Ocean Endurance** and the **Ocean Energy**, were chartered for transporting troops and tanks and other military equipment from Karachi to East Pakistan.

Radio Pakistan had stated on March 21 that about 39 persons were killed in looting and arson in Dacca during the previous two weeks.

It quoted official sources as saying that anti-social elements had taken advantage of political conditions to commit acts of lawlessness.

It said that 45 "goondas" had been arrested and that police and East Pakistan Rifles had opened a special control room.

(**Radio Pakistan, The Times**, London, **The Statesman**, Calcutta and **The Times of India**, Bombay)

[Prev. ref. 8842:PAK:A]

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INDIA

SUMMARY: Mr. Dinesh Singh On Foreign Policy; Shift In USSR Attitude; New Chief Of Air Staff; Hostile Nagas Captured; New Madhya Pradesh Ministry; New Bihar Ministry; Irrigation Commission And River Disputes Tribunals Set Up; Telengana Safeguards Issue.

A. Mr. Dinesh Singh On Foreign Policy: Replying to demands for grants for the External Affairs Ministry in Lok Sabha on April 8, the Minister of External Affairs, Mr. Dinesh Singh, supported the Soviet proposal for a peaceful solution of the Sino-Soviet border dispute and re-iterated India's policy of opposition to the use of force to change unilaterally historical borders.

He rejected the view that India should demand Tibet's Independence.

He said it would not be proper to make such a demand from the Indian soil as it would amount to interference in the affairs of a foreign country.

He assured members, however, that the Government would consider taking up the question of the suppression of human rights in Tibet at UN.

Referring to India's relations with China, he sought to lay emphasis on peaceful negotiations. "We do not wish to adopt Chinese methods even with China". India was prepared to discuss any matter, including trade with China, but was equally prepared to defend her borders against Chinese aggression.

He hoped that China would not be able to resist the winds of friendship blowing in the world today. While India might be moving slowly towards development, China, in her desire for violent change, was needing perpetual revolutions, and even wanted to export them.

He added that China's attempt to use certain misguided elements in India for subversion had been effectively met by the Government.

He also referred to the situation, in Pakistan and defended the Government's policy against Opposition charges that India had failed to welcome the democratic movement in Pakistan. He hastened to add that as the Minister for External Affairs he had to work under certain limitations and it was not possible always to lay down the grand design to be followed towards any country.

His speech was prefaced by a reference of the economic situation in the developing countries.

He stressed the need for international economic co-operation and reminded the Opposition that the hallmark of Indian foreign policy was to serve the country's national interests within the family of nations and he felt that his critics had failed to suggest an alternative to this.

The Government's policy in the Indian Ocean area, he said, was not to replace British power by planting the Navy there, but to aid the development of the economies of the countries in the region to enable them to defend themselves against foreign aggression.

Re-iterating the need for peaceful co-existence and non-interference in the affairs of other countries, he said that greater economic content would be introduced in India's foreign policy. With this view, the Government had decided to strengthen the Economic Division of the Ministry.

He referred in this connexion to the various Trade Agreements between India and several other developing countries, and added that he planned to visit Iran early in May to explore possibilities of closer co-operation.

(**The Statesman,** New Delhi)
[Prev. ref. 8197:INI:A, 8740:INI:A]

B. Soviet Arms To Pakistan—Sardar Swaran Singh On Shift In USSR Attitude Towards India: The Defence Minister, Sardar Swaran Singh, freely admitted for the first time in the Lok Sabha on April 9 that there had been a shift in the Soviet Union's policy towards Pakistan after the Tashkent Agreement of January, 1966.

But, he added a rider that Russia had been assuring India that she wanted friendly relations with Pakistan but that would "never be at the cost of India."

Sardar Swaran Singh was replying to a half-hour debate on the Soviet supply of arms to Pakistan.

He said that India had explained more than once to USSR that any accrual of arms to Pakistan would only make that country more intransigent and render any normalization of India-Pakistan relations more difficult. This aspect was discussed by him during his visit to the Soviet Union and re-iterated when the Soviet Defence Minister visited India. "We have, however, to admit that we have not been able to convince USSR of the greater danger that is implicit in the supply of arms to Pakistan. The Soviet policy continued to be to supply arms to Pakistan."

He added that whatever the quality of lethal equipment supplied to Pakistan, it would impose an additional burden on India in the sense that it would have to divert resources to make adequate defence arrangements. India had continued to re-iterate its point of view and made it clear to all countries, including the Soviet Union, that any supply of arms to Pakistan would create a difficult and explosive situation. "We have succeeded in convincing some countries, but not certain others."

At one stage, he referred to the Soviet-Pakistani Arms Agreement as a "wretched" Agreement.

He made it clear that India had never accepted the theory of a military balance of power as between India and Pakistan. The expression was coined by several countries, but India had never accepted its validity because it was meaningless in the context of the situation this country was facing today. "Our size is bigger, our problems are different and we have two hostile neighbours." Any talk of a military balance between India and Pakistan in these circumstances was totally invalid.

(**The Times of India** and **The Statesman,** New Delhi)
[Prev. ref. 8467:INI:A]

C. New US Envoy: Mr. Kenneth B. Keating (68), currently serving as Associate Justice of the New York State Court of Appeal, was nominated on April 3 as the next Ambassador of the United States of America to India.

Mr. Keating served in the US Army in World War I as private sergeant and in World War II as Major and Brigadier-General.

He was a member of the US House of Representatives from 1947 to 1953 and, again, from 1957 to 1959. He also served as Senator from New York from 1959 to 1964.

(The New York Times)

[Prev. ref. 5207:INI:E]

D. **New Chief Of Air Staff:** It was announced on April 2 that Air Marshal P. C. Lal (52), Chairman of Hindustan Aeronautics Ltd., had been appointed as the next Chief of Air Staff in the rank of Air Chief Marshal.

He will succeed Air Chief Marshal Arjan Singh, who retires on July 15.

Air Marshal Lal was the Vice-Chief of Air Staff during Indo-Pakistan conflict in September, 1965. He was awarded **Padma Bhushan** for distinguished service of a high order during those operations.

Air Marshal Lal is the first Indian-trained Air Force pilot to rise to the top post in the service. He was commissioned on November 14, 1939. The earlier three Air Chiefs, Air Marshal Mukherji, Air Marshal Engineer and Air Chief Marshal Arjan Singh were all trained in England at Cranwell. Air Marshal Lal had, however, taken to flying earlier in 1933 as a hobby.

(PIB, New Delhi)

[Prev. ref. 7933:INI:G]

E. **Hostile Naga "Army Chief" Captured:** The security forces in Nagaland reaped their richest reward on March 16 when they captured alive "General" Mowu Angami, the "commander-in-chief" of the so-called Naga underground army.

He was caught while attempting to move to a secret jungle camp north-east of Kohima along with 200 guerrillas, who had managed to infiltrate across the Indo-Burmese border earlier.

Mowu Angami was immediately flown in an IAF plane to New Delhi for interrogation by Army Intelligence.

Other China-trained Nagas Captured:

According to reports reaching Kohima on March 21, a gang of China-trained armed Nagas, numbering about 170, had been captured by men of the Revolutionary Nagas in Sema area of Nagaland.

On March 20, three more underground Naga leaders belonging to the second batch of China-trained rebels led by Isaac Swu were captured in Tuensang district, bordering Burma. This brought the number of China-trained hostiles captured so far to eight. Automatic rifles and ammunition of various kinds with Chinese marking were also seized from them.

Another group of 29 Chinese-trained Naga hostiles was captured by the Indian security forces in south-west Tuensang district on March 31.

The security forces also recovered from the group 26 Chinese-made weapons, including a rocket-launcher, sub-machine guns and semi-automatic rifles.

Thus Mowu Angami's group numbering 170, which had entered Nagaland on March 6, had been completely eliminated with the capture of all of them.

"Peking Radio's" Admission Of Failure:

With the arrest of the rebel Naga 'army chief' Mowu Angami and his men, came **Peking Radio's** admission that China's military backing for resurrection by the hill peoples had proved unavailing.

Peking Radio devoted its entire 1,000-word English language broadcast on March 16 to a report in the extremist Bengali weekly **Deshabrati** and in the English monthly **Liberation** analysing the causes of the failure of the Naxalite adventures in West Bengal and the rebels' activities in the hilly areas of eastern Himalayas.

According to the report, **Peking Radio** said, the reasons for the failure were "the lack of strong party organization, failure to build up a powerful mass base, ignorance of military affairs, thinking on old lines, a formal attitude towards the establishment of political power and the work of revolutionary land reforms."

Naga Rebels' Capture:

It was stated in Kohima on March 22 that 30 more China-trained Naga rebels were captured by the security forces in Tuensang district of Nagaland bordering Burma in the previous few days. The security forces had about six encounters with the rebels.

Combing operations to capture Isaac Swu and his 150 men were intensified in the district bordering Burma. The Isaac Swu batch entered Nagaland on the night of March 14-15.

Among those who were captured were stated to be three senior underground leaders, including a doctor. Mr. Isaac Swu had so far succeeded in evading the security forces.

The latest captures were made following a brief encounter near Somdal in Tangkhul area.

Large quantities of arms and ammunition and some medicines and first aid boxes bearing Chinese markings were seized from the rebels.

An estimated 200 China-trained Naga hostiles were either killed or injured at the hands of Burmese security forces during several encounters in Upper Burma since October, 1968. The Burmese troops also seized large quantities of Chinese arms and ammunition brought by an estimated 800 Naga hostiles who had gone to China in October, 1967.

An armed gang of underground Nagas, opposed to the pro-Peking faction, captured the underground camp at Khensa, three miles west of Mokokchung town, in a raid on March 28.

An official source said in Kohima on March 29 that they had seized large quantities of arms and ammunition with Chinese markings from the Khensa camp, supposed to be the stronghold of the pro-Peking faction.

Cease-fire Extended:

The suspension of operations in Nagaland was further extended by one month from April 1, on March 31.

The suspension of operations had been uninterruptedly in force in Nagaland since 1964.

Pakistanis Among Captured:

It was learnt in Calcutta on March 28 that two Pakistani nationals were among the 165 China-trained Naga hostiles captured by security forces.

With their round-up and the capture of 60 others early in March with their leader, "Gen" Mowu Angami, who had been to China for training and arms, the backbone of the hostile movement was stated to have been broken.

(The Statesman, Calcutta and **The Times of India,** Bombay)

[Prev. ref. 8411:INI:C, 8742:INI:M]

F. **Surrender Of Hostile Mizos:** Mr. Mohendra Mohan Choudhury, Revenue Minister of Assam, told the State Assembly on February 22 that 2,393 Mizo hostiles had so far surrendered and all of them had been granted amnesty.

He said that two Mizo hostiles surrendered with arms and 539 without arms in 1967. Fifty-three hostiles surrendered with arms and 1,776 without arms last year. Four hostiles surrendered with arms and 19 others without arms also surrendered to the security forces during this year.

(**The Statesman**, Calcutta)

[Prev. ref. 8471:INI:E, 8767:INI:G]

G. **Diplomatic Appointments:** It was announced on March 21 that India's Deputy Permanent Representative at United Nations, Mr. Brijesh Mishra, had been appointed India's **Charge d' Affaires** in Peking.

Mr. Mishra, a Counsellor in the Indian Foreign Service, was promoted to be Minister Plenipotentiary. He took charge at the end of March, 1969.

(**PIB**, New Delhi)

[Prev. ref. 7065:INI:L]

H. New **Madhya Pradesh Ministry:** Owing to reported differences among the constituent parties of the Samyukta Vidhayak Dal (SVD), the Chief Minister of Madhya Pradesh, Mr. G. N. Singh, resigned on March 10.

The same day (March 10), the SVD Legislature Party elected Raja Naresh Chandra Singh of Sarangarh as its leader, and Raja Naresh Chandra Singh accepted the Governor's invitation to form a new Government in Madhya Pradesh on March 12. He was sworn-in as Chief Minister on March 13.

On March 12, the State Assembly was prorogued by the Governor on the advice of the outgoing Chief Minister, Mr. G. N. Singh.

At a news conference, Mr. S. S. Shyam, leader of the newly-formed Progressive Vidhayak Dal (PVD), gave newsmen a list of 23 SVD members who had joined the PVD. He said they were negotiating with the Congress Party the terms on which a coalition was to be formed.

Mr. Shyam said they had severed their connexion with the SVD since it had too many "reactionary forces" and too many constituent units pulling in different directions.

The Speaker of the Assembly informed newsmen that 20 SVD members had informed him in writing that they would like to join the Congress Party. He said Mr. S. S. Shyam, leader of the newly-formed Progressive Vidhayak Dal (PPD), had also written to him that his group of 22 members would sit separately and support the Congress Party.

In a subtle move, the Chief Minister, Raja Naresh Chandra Singh, had three Ministers sworn-in at a hurriedly-arranged ceremony on March 18 following a decision taken by the SVD Co-ordination Committee.

The three Ministers sworn-in were all members of the out-going (G. N. Singh) Ministry—Mr. Brijlal Verma, Mr. L. N. Gupta and Mr. Drigpal Shah.

Soon after the swearing-in ceremony, the new Council of Ministers held a formal "Cabinet" meeting at the State Secretariat when the portfolios were distributed.

But, two days later, Raja Naresh Chandra Singh resigned and advised the Governor to dissolve the Assembly.

The SVD leader, Rajmata Vijaya Raje Scindia of Gwalior, said that the dissolution of the Assembly was demanded on grounds of instability caused by defections.

The Cabinet, it was disclosed, had already adopted earlier in the day a resolution recommending dissolution of the Assembly which Raja Naresh Chandra Singh was apparently hesitating to act upon under pressure from the Congress, but the SVD leaders finally succeeded in persuading him to act upon their advice.

Raja Naresh Chandra Singh, who had succeeded Mr. G. N. Singh, remained the Chief Minister for exactly one week. With his resignation, the curtain was finally drawn on the non-Congress coalition's 600-day chequered career.

Next day (March 21), the Madhya Pradesh Governor, Mr. K. C. Reddy, rejected the advice of the out-going Chief Minister, Raja Naresh Chandra Singh, to dissolve the Assembly and impose President's Rule.

The Governor's decision was announced in a brief Raj Bhavan **communique** which did not give any reason for rejecting the advice beyond saying that all aspects of the issue involved had been carefully examined.

According to informed sources, the Governor felt that Raja Naresh Chandra Singh could not ask for dissolution of the Legislature when he had been invited to form a Ministry and face it to prove his majority.

Mr. G. N. Singh Re-admitted To Congress:

Mr. Govind Narain Singh, former Chief Minister, who had organized large-scale defections from the Congress and toppled the Congress Ministry in 1967, re-joined the Congress along with 19 other SVD MLAs on March 19.

Mr. Shankar Dayal Sharma, A-ICC General Secretary, told newsmen that Mr. Singh and his followers had been re-admitted to the Congress on condition that they would neither be made Minister in any Congress Government, nor given a party ticket in a mid-term poll. If, however, there was a leadership contest, they would have the right to vote.

He said that the policy evolved by the Central Parliamentary Board in regard to the defectors was being strictly followed. There was no question of making any departure from it.

According a news conference, Mr. Govind Narain Singh said that he and his supporters had made it clear to the various constituent units of the SVD in May, 1968 that if any demand for dissolution of the Assembly was made by them, they would return to the Congress 'en bloc'. Three constituents — Jana Sangh, SSP and the Rajmata's party —had now made the demand separately. This had been done without prior approval of the Co-ordination Committee of the SVD. The implication of the demand was that there was no co-ordination among the constituent units. He and his colleagues, therefore, decided to re-join the Congress. They had done so without pre-conditions.

Mr. S. C. Shukla Becomes Chief Minister:

On March 25, Mr. Shyam Charan Shukla, deputy leader of the Madhya Pradesh Congress Assembly Party, was elected leader of the party in place of Mr. D. P. Mishra.

There were two contestants for the office—Mr. Shukla and Mr. Kunjilal Dube, who was known to be Mr. Mishra's nominee.

Out of a total present strength of 171 members of the party, 151 members were present at the meeting.

Almost all the 20 defectors led by Mr. Govind Narain Singh, former SVD Chief Minister, did not exercise their franchise. Others who returned to the party fold recently were reported to have cast their votes. The number of such former defectors totals 51.

Mr. Shukla was sworn-in as Chief Minister on March 26, as well as Mr. Kunjilal Dube as Minister.

The Congress Party thus assumed the reins of office in Madhya Pradesh, 606 days after it had been ousted from power following the mass walk-out by Mr. Govind Narain Singh and his supporters.

This was the 14th swearing-in ceremony in the past 20 months.

Mr. Dubey, who retains the Finance portfolio which he had held in Mr. D. P. Mishra's Ministry, presented to the House a vote-on-account Budget of Rs. 118 crores to cover the Government's expenditure over the next four months.

Expansion Of Ministry:

Two weeks after his installation as Chief Minister, Mr. Shyam Charan Shukla expanded his Ministry on April 9 by the addition of 34 members.

With four Parliamentary Secretaries to be appointed shortly, the Ministry will have a strength of 40. The former SVD Ministry had a maximum strength of 34.

The 34 members who were administered the oaths of office and secrecy on April 9 included 13 Cabinet Ministers, 17 Ministers of State and four Deputy Ministers.

Prominent among the new Ministers were Mr. Vasantrao Uikey, Mr. Shatruguna Tiwari, Mr. Krishnapal Singh and Mr. Ved Ram who were members of the Mishra Ministry, and Mr. H. P. Chaturvedi, a party veteran.

Among the Ministers of State were two women—Miss Vimala Verma and Mrs. Sushila Dixit.

The new team gave fair representation to regional interests and Harijans and tribals.

Cabinet Ministers:

Mr. Shyam Charan Shukla (Chief Minister)—General Administration, Home, Information and Publicity, Languages, Irrigation, Electricity.

Mr. K. L. Dubey—Finance, Separate Revenue and Registration.

Mr. Hari Prasad Chaturvedi—Local Self-Government (Urban).

Mr. Vasantrao Uikey—Commerce and Industries.

Mr. Shatrughan Singh Tiwari—Forest and Natural Resources.

Mr. Jagdish Narain Avasthi—Education.

Mr. Ved Ram—Harijan Welfare and State Transport.

Mr. Krishna Pal Singh—Revenue and Law.

Mr. Gangaram Tiwari—Labour and Housing.

Mr. Bhanu Pratap Singh Komakhan—Tribal Welfare.

Mr. Devi Singh—Public Health and Jails.

Mr. Shivbhanu Singh Solanki—Local Self-government (Rural), Social Welfare.

Mr. Bisahu Das—P.W.D. (Buildings and Roads).

Mr. Bhagwat Sahu—Agriculture, Food and Civil Supplies.

Mr. K. N. Pradhan—Planning, Development and Co-operation.

Ministers of State:

Mr. Bhopal Rao Pawar—Education.

Mr. Nand Kishore Sharma—Home.

Mrs. Sushila Dixit—Social Welfare and Education.

Miss Vimla Verma—Electricity.

Mr. Jhumuklal Bheria—Minor Irrigation.

Mr. Puryuram Dhurve—Forest.

Mr. Hari Prasad Shukla—Separate Revenue, Local Self-Government (Rural).

Mr. Pyare Lal—Tribal Welfare.

Mr. Chitrankant Jaiswal—Public Health and Co-operation.

Mr. Brij Kishore Pateria—Home and Transport.

Mr. Chandmal Lunia—Irrigation (Tubewells).

Mr. Madhavlal Dube—Agriculture.

Mr. Kedarnath Rawat—Revenue and Law.

Mr. Jugal Kishore Bajaj—Commerce and Industries.

Mr. Prabhu Narain Tandon—Local Self-Government (Urban) and Jails.

Mr. Mohammed Basheer Khan—Housing and Waqfs.

Mr. Balkavi Bairagi—PWD.

Deputy Ministers:

Mr. Prabhudayal Galhot—Education.

Mr. Deo Sai—Tribal Welfare.

Mr. Kanhailal Kosaria—Local Self-Government (Rural).

Mr. Chootelal—Harijan Welfare.

(The Hindustan Times and
The Times of India,
New Delhi)

[Prev. ref. 8771:INI:S]

I. **New Bihar Ministry:** The first batch of 12 Ministers, including the Raja of Ramgarh and his brother, Dr. Basant Narain Singh (both Janta Party), one nominee each of the Jharkhand and Soshit Dal party and eight Congressmen was sworn-in on March 7.

The dissidents were evidently not satisfied and the crisis in the main constituent of the coalition remained unresolved. The dissident group leader, Mr. Daroga Prasad Rai, declined to join the Cabinet as a protest against "breach of faith" by the Chief Minister, Mr. Harihar Singh.

Mr. M. R. Mandu (C) and Mr. P. C. Cirua (Jharkhand), whose names were included in the list, could not take the oath as they were out of station.

The Ministers who were administered the oath of office were:

Congress—Mr. Zawar Hussain, Mr. Mungeri Lal, Mr. Kamal Dev Narain Singh, Mr. Kedar Pandey, Mr. Mohammed Hussain Azad, Mr. Sahdev Mahto, Mr. Ram Jaipal Singh Yadav and Mr. D. L. Baitha.

Janta Party—The Raja of Ramgarh (Mr. Kamakhya Narain Singh) and Dr. Basant Narain Singh.

Soshit Dal—Mr. Jagdev Parshad.

Jharkhand—Mr. N. E. Horo.

Congressman Elected Speaker:

The ruling Congress-led coalition in Bihar won the first trial of strength in the State Assembly on March 11 when its nominee, Mr. Ram Narain Mandal (Congress), was elected Speaker by a majority of six votes in a straight contest.

He defeated the combined Opposition nominee and former Speaker, Mr. Dhaniklal Mandal (SSP).

Of the 316 members, 305 participated in the voting. One member, Mr. Adunandan Singh, registered his preference both in favour of and against Mr. Ram Narain Mandal.

Besides the 116 Congress Party members, 13 members of the Janta Party, six of the Soshit Dal, three of the Swatantra and 12 of the Jharkhand and Independents voted for the Congress candidate.

New Ministry:

The Raja of Ramgarh, Mr. K. N. Singh, leader of the Janta Party, resigned from the Congress-led Bihar coalition Ministry on March 28.

The Congress Working Committee had insisted that the Raja be dropped from the Ministry.

On April 2, the Bihar Governor, Mr. Nityanand Kanungo, accepted Raja K. N. Singh's (of Ramgarh) resignation from the Congress-led coalition on the advice of the Chief Minister, Mr. Harihar Singh.

Mr. Singh then finalized and submitted the list of portfolios to the Governor for distribution among his Cabinet colleagues.

Mr. Harihar Singh was sworn-in as Chief Minister on February 26. His Cabinet colleagues were sworn-in on March 7. But the distribution of portfolios had not been made till now.

The following are the portfolios:

Mr. Basant Narain Singh

(Janta): Revenue, Forest and Irrigation.

Mr. N. E. Horo (Jharkhand): Education.

Mr. Jagdeo Prasad (Soshit Dal): River Valley Project and Planning.

Mr. Kedar Pandey (Congress): Industries.

Mr. Kamaldeo Narain Sinha (Congress): Mines and Geology.

Mr. Dumar Lal Baitha (Congress): Labour and Employment, Health and Family Planning.

Mr. Sahdeo Mahto (Congress): Agriculture and Minor Irrigation,

Mr. Mungeri Lal (Congress): Local Self-Government and Housing.

Mr. Mohammad Hussain Azad (Congress): Transport.

Mr. Zawar Husain (Congress): Finance, National Savings and Commercial Taxes.

Mr. Ram Jaipal Singh Yadav (Congress): Community Development, Panchayats, Animal Husbandry and Fisheries.

The remaining portfolios were kept for the time being by the Chief Minister. These were Appointments, Political (Special Police and General) Department, Cabinet Secretariat, Tourism, Public Relations, Law, Religious Trusts, Prisons, P.W.D., Public Health, Welfare, Supply and Commerce, Statistics, Co-operatives and Sugarcane, Electricity and Excise.

(**Indian Nation,** Patna and
The Hindustan Times,
New Delhi)

[Prev. ref. 8814:INI:A]

J. Irrigation Commission Set Up: The establishment of an Irrigation Commission was announced in New Delhi on April 9 under the chairmanship of the former Food Minister, Mr. Ajit Prasad Jain.

Dr. S. R. Sen of the Planning Commission, who has wide experience in agriculture and planning will be Vice-Chairman.

The Commission, which has been asked to review the development of irrigation in the country since the beginning of the century and to chalk out guide-lines for the future, will have four other Members and a Secretary.

Three of the Members have been named. They are: Mr. O. P. Gupta, retired Irrigation Chief Engineer, Uttar Pradesh; Dr. D V. Reddy, Extension Commissioner, Central Department of Agriculture; and Mr. N. S. Pardasani, Irrigation Secretary, Maharashtra,

A fourth Member will be appointed later. Mr. K. S. S. Murthy, of the Central Irrigation Ministry, will be the Secretary.

The Commission is expected to report within two years, with the option of submitting **interim** recommendations on specific problems.

The terms of reference include the formulation of measures to cushion the effect of the vagaries of rainfall, with particular reference to the problem of drought-affected areas; the drawing up of a broad plan for irrigation and assessment of the funds required to implement it; the administrative and organizational set-up for the planning, execution and operation of irrigation works and the formulation of criteria for sanctioning such works.

(**The Times of India,** New Delhi)

[Prev. ref. 7725:INI:X]

K. River Disputes Tribunals Set Up: The Government constituted on April 10 two Tribunals for adjudication of inter-State river disputes regarding the Krishna and the Godavari.

The Tribunals, to be known as the Krishna Waters Dispute Tribunal and the Godavari Waters Dispute Tribunal, will have the same members.

The Government also referred the question of diverting the water of the Godavari into the Krishna to these Tribunals.

The Chief Justice of India nominated the following members to the two Tribunals:

Mr. Justice R. S. Bachawat, Judge of the Supreme Court of India—Chairman; Mr. Justice N. L. Untawalia, Judge of the Patna High Court; and Justice D. S. Mathur, Judge of the Allahabad High Court —Members.

According to the **Gazette** notification announcing the constitution of the Tribunals, the Governments of Mysore, Maharashtra and Andhra Pradesh had requested the Government of India to refer the river waters dispute regarding the Krishna and the Godavari and the river valley to a tribunal for adjudication.

(**The Statesman,** New Delhi)

[Prev. ref. 8343:INI:O, 8710:INI:N]

L. Telengana Safeguards Issue—Supreme Court Declares Them Unconstitutional: The Constitution Bench of the Supreme Court presided over by the Chief Justice, Mr. M. Hidayatullah, struck down on March 28 the Andhra Government's order passed on January 21, 1969 prescribing "domicile" (**mulki**) qualification for appointment to subordinate services in the Telengana region.

The second part of the Government's order directing that all non-domicile persons holding posts in the Telengana area should be relieved from service by **February 28, 19 9** was also quashed by the Court.

The decision was given on a writ petition filed by Mr. A. V. S. Narasimha Rao and other members of the ministerial service of the State, challenging the constitutionality of the order, and also the rule and the parliamentary enactment under which the impugned order was issued by the State Government.

Accepting the petitioners' request, the Supreme Court declared as **ultra vires** of the Constitution Section 3 of the parliamentary enactment. "The Public Employment (Requirement as to Residence) Act of 1957" and also Rule 3 of the Andhra Pradesh Public Employment (Requirement as to Residence) rules made thereunder.

The impugned section and rule empowered a State Government to prescribe and notify that any class or classes of posts should be held only by persons fulfilling the prescribed requirements as to residdence.

On a writ petition filed by some employees of Andhra Pradesh, a single judge of the Andhra Pradesh High Court had struck down the Government order dated January 21, 1969 prescribing **Mulki** qualification, but a Division Bench of the High Court had reversed that decision and upheld the rule and the Government order in question.

Thereupon, Mr. A. V. S. Narasimha Rao and others had petitioned direct to the Supreme Court under Article 32 of the Constitution complaining that their fundamental right of "non-discrimination on grounds of residence" in matters of employment, guaranteed under Article 16 of the Constitution was violated by the State Government.

The petition was heard by a Bench consisting of the Chief Justice of India and Mr. Justice J. C. Shah, Mr. Justice V. Ramaswami, Mr. Justice G. K. Mitter and Mr. Justice A. N. Grover.

Delivering the judgment, the Chief Justice said that two questions arose in the case—whether Parliament, while prescribing the "requirements as to residence" under Article 16 (3) of the Constitution may prescribe requirement of residence "in a particular part of the State"; and whether Parliament can delegate this function of making a declaration and leaving the details to be filled in by the "rule-making power" of the Central and State Governments.

Agreeing with the arguments of Mr. S. V. Gupte, former Solicitor-General who appeared for the petitioners, the Chief Justice answered both the questions in the negative.

He said: "The Constitution, as it stands, speaks of a whole State as the venue for residential qualification and it is impossible to think that the Constituent Assembly was thinking of residence in districts, talukas, cities, towns or villages. The fact that Clause (3) of Article 16 was an exception to the general guarantee under Article 16 (1) and (2) and the fact that it came as an amendment must dictate that a narrow construction should be placed upon it."

Telengana Regional Committee's Report:

The Telengana Regional Committee, in *its first* report on the service problems of the Telengana employees, published on March 14, blamed the State Government for deliberately ignoring the instructions of the Central Home Ministry regarding the preparation of common gradation lists and education of posts in *accordance with the States* Re-organization Act.

The Committee's report, which covers the 12-year period from the date of the formation of Andhra Pradesh in November, 1956, regretted that four mandatory criteria meant for the integration of the Services like status, scales of pay, duties and responsibilities were not applied in a uniform manner by the departments concerned for want of proper guidance by the General Administration Department.

"Each department", it felt, "had its own way of equation by giving much consideration to such of the four criteria as are favourable to the Andhra employees". There was a deliberate denial of promotions to the Telengana employees in some cases. Even "the High Court's decisions wherever they were favourable to the Telengana employees have not been implemented to this day."

Telengana's Surplus Revenues:

The Andhra Pradesh Chief Minister, Mr. K. Brahmananda Reddy, told the State Assembly on March 13 that the net Telengana surplus for the period from November 1, 1956 to March 3, 1968, had been worked out at Rs. 34.10 crores by Mr. Kumar Lalit, an officer of the Accountant-General who was deputed by the Comptroller and Auditor-General of India to do so.

Mr. Brahmananda Reddy, who read out this operative portion of the report in the State Assembly, said that the State Government would like to consult the Telengana Regional Committee on the report.

He said that according to the report, "net surplus after taking into account capital expenditure for the two regions—Andhra and Telengana—worked out to Rs. 34.10 crores for the same period."

State Government's Steps:

The Andhra Pradesh Chief Minister, Mr. K. Brahmananda Reddy, told newsmen in Hyderabad on March 24 that a senior IAS officer from Telengana had been appointed as Additional Chief Secretary to the Andhra Pradesh Government to "ensure prompt and effective action at the official level in all matters relating to Telengana and, in particular, matters relating to the Services."

Mr. S. Abdul Quader, now Special Secretary in the Food and Agriculture Department, had been given that job. He belongs to the former Hyderabad Service.

Mr. Reddy also announced a number of steps to provide an "effective mechanism" for the implementation of Telengana safeguards.

He denied that these steps were being taken under the "pressure of circumstances". The Government had initiated these steps, he said, in line with the January 19, 1969 all-party accord for the speedy implementation of the safeguards.

He said that the most important of the safeguards related to the utilization of Telengana surpluses and the creation of employment opportunities in the region and redress of grievances of members of services belonging to Telengana.

A high-power Committee of the Cabinet, consisting of all Telengana Ministers, he said, had been set up. It would work in close co-ordination with the Telengana Regional Committee and would ensure prompt and effective action in matters relating to planning and development of the region.

Mr. Reddy announced these other steps:

(1) A sum of Rs. 9 crores had been provided for, in addition to the normal allocations due to Telengana in the current year for the nine Telengana districts for such other works as the zilla parishads might decide upon;

(2) Action was being taken immediately to create nearly 2,000 posts, to start with, in Telengana;

(3) The Government had taken action to provide an opportunity to members of the Services to represent their grievances if they had any to the Central Advisory Committee set up under the States Re-organization Act. This Committee would visit the State shortly.

Mr. Konda Lakshman Bapuji Resigns From Ministry:

On March 28, Mr. Konda Lakshman Bapuji resigned from the Andhra Cabinet following differences with the Chief Minister, Mr. K. Brahmananda Reddy, over the handling of the Telengana issue.

Mr. Bapuji, who was among the nine Ministers in the Andhra Cabinet belonging to Telengana, was dissatisfied with the steps taken by the Chief Minister to meet the demands of the people of the Telengana region.

State CPI Demands:

The State Council of the Communist Party of India suggested on March 24 a 12-point programme for the implementation of the Telengana safeguards and threatened to start direct action if the Andhra Government did not act on it by April 15.

It demanded, among other things, that the Government:

(1) Utilize the Telengana surplus funds for the development of Telengana in the next five years in accordance with the proposals of the Regional Committee;

(2) Take up the multi-purpose Pochampadu project and other irrigation projects in right earnest;

(3) Take steps forthwith to set up Kakateeya University in Warangal, an agricultural college in Suryapet in Nalgonda district and a medical college in Nizamabad; and

(4) Create a special department under a Minister from Telengana to oversee implementation of the development programme in the region.

(**The Hindu**, Madras, **The Times of India**, New Delhi and **The Hindustan Times**, New Delhi)

[Prev. ref. 8552:INI:Q]

M. **Removal Of Disqualification Of Dr. M. Chenna Reddy—Petition Rejected:** The Chief Election Commissioner, Mr. S. P. Sen-Varma, dismissed the petition of Dr. M. Chenna Reddy on April 1 for removal of disqualification for being a member of Parliament as well as of any State Legislature.

Dismissing the petition, Mr. Sen-Varma said that "corrupt practice" in elections was in a sense "more heinous and destructive" of the democratic system than ordinary criminal offence. Ordinary crimes relating to a person or property did not so much endanger the basis of the fabric of democracy and national unity as corrupt practices.

He added: "In the interest of the electoral processes and democracy in this country, it will neither be proper nor appropriate for me to allow the prayer of the petitioner, Dr. M. Chenna Reddy."

Both the High Court of Andhra Pradesh and the Supreme Court had earlier found Dr. Chenna Reddy guilty of corrupt practices and disqualified him from being a member of Parliament or State legislature for six years.

Mr. Sen-Varma, in his judgment, said that there was a significant passage in the judgment of the Andhra Pradesh High Court. The High Court not only set aside the election of Dr. Reddy but also specifically named him under Section 99 of the Representation of People Act, 1951. The High Court held Dr. Reddy personally guilty of corrupt practice and not his election agent. Therefore, under Section 8 (A) of Representation of People Act, Dr. Reddy incurred this disqualification for a period of six years.

(**The Statesman**, New Delhi)

[Prev. ref. 8710:INI:Q]

N. **Assam Re-organization (Constitution Amendment) Bill Checkmated In Lok Sabha:** The Constitution Amendment Bill, which was intended to pave the way for the implementation of the Assam re-organization scheme, got checkmated in the Lok Sabha on March 25, after it had got through the first reading.

Clause 2 of the Bill having failed to secure the majority of the total strength of the House—262 was the requisite minimum—the Home Minister, Mr. Y. B. Chavan, who was piloting the Bill, was obliged to withdraw the Bill.

It was a totally unexpected development since the motion for consideration of the Bill was adopted by 265 votes—three more than the minimum. There were 19 dissenting Jana Sangh votes and four abstentions. Within a quarter of an hour when the next division was taken on Clause 2, only 248 votes were cast in favour of it—14 short of the required minimum.

Thereupon, Mr. K. Raghuramaiah, Minister for Parliamentary Affairs, and two Deputy Chief Whips of the Congress Party, Mr. P. Parthasarathy and Mr. D. Sen, submitted their resignations to the Prime Minister, Mrs. Indira Gandhi.

In his letter to Mrs. Gandhi, Mr. Raghuramaiah said that he had done his best to ensure the passage of the Bill and took full responsibility for what had happened. He was resigning both as Minister for Parliamentary Affairs and for Shipping and Transport.

But, later, Mrs. Gandhi refused to accept them.

The Bill was re-introduced in the Lok Sabha by the suspension of the relevent rule on April 10.

(**The Times of India**, Bombay)

[Prev. ref. 8550:INI:A]

O. **BKD's New Chairman:** Mr. Mahamaya Prasad Sinha, who has been Chairman of the Bharatiya Kranti Dal from the very inception of the party, resigned on March 23 and Mr. Charan Singh was elected chairman in his place.

The National Executive of the BKD, which ended its two-day session in New Delhi on March 23, announced that Mr. Sinha's resignation, for health reasons, had been "reluctantly" accepted.

(**The Statesman**, New Delhi)

[Prev. ref. 8114:INI:Q]

P. **Rupee Loans From USA:** On March 26 the US Government made two rupee loans to finance a variety of programmes in India. The loans aggregate Rs. 173.43 crores, and come from the counterpart funds generated by the US agricultural supplies under PL 480.

The bulk of the amount, namely, Rs. 171.4 crores, comes under one loan, which will finance a number of schemes in agriculture, transportation, labour, health, education and community development.

(**The Times of India,** New Delhi)

[Prev. ref. 8741:INI:B]

Q. **Trade Pact With Indonesia Extended:** The validity of the Trade Agreement between India and Indonesia, which was signed in Djakarta in December, 1966, was extended up to October 25, 1970 on March 28.

Under the Agreement, the two countries agreed to extend to each other the most-favoured-nation treatment in regard to Customs, tariffs' taxes, charges and Customs procedures.

The Agreement also listed products which are available for export from either country.

Since the signing of the Agreement, there has been a considerable expansion and diversification of India's exports to Indonesia. From a bare Rs. 81,00,000 during 1965-66, India's exports have increased to Rs. 5.9 crores during 1967-68.

(**The Hindu**, Madras)

[Prev. ref. 7508:IND:A, 8847:INI:B]

R. **East Pakistan Rifles Open Fire On Malda Sector:** The East Pakistan Rifles (EPR) indulged in sporadic mortar firing across the West Bengal border in Malda sector on March 22 and 23, in an obvious attempt to divert public attention from the internal turmoil in Pakistan.

The incident was in violation of the cease-fire accord which was earlier agreed to by the Indian Border Security Force and EPR.

This was the second incident within a month, though the first one on the Cooch-Behar border was comparatively of a minor nature.

Three persons were injured in the firings. Casualties on the Pakistani side were not known.

The cease-fire was enforced on March 23 after the Indian Sector Commander, Mr. S. J. Phillips, had contacted his Pakistani counterpart. The two held an on-the-spot meeting on March 24.

(**The Statesman**, Calcutta)

[Prev. ref. 8141:PAK:C]

S. **Soviet Writer Accuses China For War With India:** The Soviet historian, Mr. A. Stepanov, accused China on March 19 of having engineered the border conflict with India over six years ago (1962) and said that this conflict, "which took a toll of many lives on both sides, serves to this day as a source of acute tension in Chinese relations with one of Asia's largest countries."

The accusation was made in an article in the Soviet journal, **Komsomolskaya Pravda.**

Observers in Moscow noted that this was the first time since China's attack on India in 1962 that a Soviet writer had directly accused Peking of having engineered the border conflict with India. Till now, the expression used in Soviet publications to describe Chinese aggression on India was "the China-India border conflict" and, at times, "extension of the Sino-Indian conflict by China."

In a special commentary under the title "Geography, Peking style—Maoist bandit attacks on Ussuri River are no chance occurrences," Mr. Stepanov outlined Chinese territorial claims against India, the Soviet Union and other countries and said that they were totally false.

He said the "Chinese leaders found pretexts for turning friendly relations with almost all of China's neighbours along the country's perimeter into relations of hostility and mistrust. And it is Peking's territorial claims that played a major role in that."

(**The Hindu**, Madras)

[Prev. ref. 8396:CHI:E]

T. **Re-organization Of Naval HQ:** On March 27, the Government of India approved the re-organization of Naval Headquarters to streamline the administration and rationalize the ranks.

One of the main features of this re-organization is the upgrading of the post of Vice-Chief of Naval Staff to the rank of Vice-Admiral from the present Rear-Admiral. (This will raise the number of Vice-Admirals to three).

Another feature is the creation of a post of Principal Staff Officer to be designated Chief of Logistics, to be held by a Rear-Admiral.

Rear-Admiral Nilkanta Krishnan, Vice-Chief of Naval Staff, was promoted Vice-Admiral.

Rear-Admiral Balwant Singh, an *officer of the Supply and Secretariat Branch,* was appointed Chief of *Logistics.*

(**The Statesman**, New Delhi)

[Prev. ref. 8746:INI:W]

U. **S-E Asia Travel Commission's Decisions:** The two-day Ministerial Conference of the South-East Asia Travel Commission (SATC) of the International Union of Official Travel Organizations (IUOTO) ended in New Delhi on March 15 after approving seven resolutions to forge regional co-operation in promoting tourism.

The countries—India, Afghanistan, Ceylon, Iran, Mongolia and Nepal—also decided to set up a permanent secretariat in India to follow up the decisions of the Conference.

Pakistan was the only member which could not participate.

The SATC members agreed to press for converting IUOTO from a non-governmental organization into an international body—world travel organization—which should be a United Nations organization. The transformation of IUOTO into an international organization would make it more effective, by making available the knowledge and experience in tourism to benefit developing countries.

The Conference was of the view that as air fares represented the largest component of tourist expenditure, low fares would help increase tourist traffic. Therefore, SATC countries were asked to adopt more liberal air charter policies to open new markets among middle-income tourists, especially the younger groups and for educational purposes.

It was resolved to relax tax, visa and Customs formalities to draw more tourists from within and outside the region.

It was agreed that the member-countries should co-ordinate efforts through their national airlines and diplomatic channels to persuade the International Air Transport Association to rationalize world air-fare structure.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6145:AOA:B]

V. **Pondicherry Budget:** The Chief Minister, Mr. Farook Maricar presented to the Pondicherry Assembly on March 24 the State's 1969-70 Budget showing a deficit of Rs. 2.46 crores on revenue account.

He estimated receipts at Rs. 3.52 crores, against an estimated expenditure of Rs. 5.98 crores.

Mr. Maricar expected a total loan of Rs. 143,03,000 from the Central Government after providing for the recovery of loans amounting to Rs. 15,65,000.

The estimated receipts included an increase of Rs. 49,00,000 in the Budget estimates for 1968-69.

The estimated expenditure of Rs. 5.98 crores allowed for an increase of nearly 12 per cent over the current year's Budget estimates.

(**The Hindu**, Madras)

[Prev. ref. 8890:INI:Z]

W. **Punjab Legislature—Governor's Address:** Addressing the Budget session of the Punjab Legislature in Chandigarh on March 14, the State Governor, Dr. D. C. Pavate, said that immediate steps were proposed to be adopted to abolish the Punjab Legislative Council, as its continuance after the recent re-organization of the State was an unnecessary burden on the exchequer.

He also announced that it was the considered view of his Government that the panchayat raj system required modifications because the present arrangement had resulted in increasing factionalism and bitterness in villages. The Government would consult the people for a thorough examination of the existing system.

The Government, would take suitable action to abolish property tax and to examine the entire taxation structure to give relief wherever the burden was inequitable. Sales-tax law and procedure would be simplified.

He claimed that as a result of efforts to be made under the Fourth Plan, the rate of growth of economy of the State would be stepped up from 4.8 per cent per annum during the Third Plan period to 6.7 per cent.

Dr. Pavate did not commit the Government on the question of nationalization of road transport. He said that the agreement of 50-50 scheme of road mileage between the private and the public sector transport undertaking was due to end during the current year and the interests of the State would be kept in view while deciding the new policy.

He, however, added that the Government would work for progressive nationalization. With a view to modernizing the State transport fleet, 100 new vehicles would be added to it every year during the Fourth Plan period.

The Government would urge the Centre to include the Christian Scheduled Castes in the list of recognized Scheduled Castes and Tribes.

Unlike the West Bengal Governor, Mr. Dharma Vira, he agreed to criticize, condemn and denounce the actions of the Government during the last 15 months.

He said that after the fall of the United Front Ministry headed by Mr. Gurnam Singh in November, 1967, fundamental rights had been violated and trampled upon in Punjab.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8516:INI:C, 8851:INI:O]

X. **Punjab Budget:** The Budget estimates of the Punjab Government for the next financial year, presented by the Finance Minister, Mr. Krishan Lal, to the Legislative Assembly on March 25, showed a deficit of Rs. 10.94 crores.

This gap between income and expenditure would increase with the proposed abolition of property tax.

Mr. Krishan Lal, however, proposed no fresh taxes to cover the gap and hoped that part of the gap would be met by grants-in-aid and the devolution of funds to be recommended by the Fifth Finance

Commission.

The revenue account showed a deficit of Rs. 2.7 crores, revenue and expenditure being estimated at Rs. 127.08 crores and Rs. 129,78 crores, respectively. Compared to the revised estimates for the current year, there was an increase of Rs. 1.07 crores in receipts and Rs. 14.40 crores in expenditure.

The capital account indicated a net expenditure of Rs. 28.76 crores comprising capital expenditure of Rs. 18.40 crores (net) and a debit of Rs. 10.36 crores under loans and advances. Compared to the revised estimates for the current year, there was an increase of Rs. 11.26 crores in capital expenditure and a drop of Rs. 11.94 crores under loans and advances.

(**The Times of India**, New Delhi)

[Prev. ref. 8272:INI:B]

Y. Rajasthan **Assembly—Governor's Address:** Addressing the Rajasthan Legislative Assembly in Jaipur on February 24, the State Governor, Sardar Hukam Singh, spoke at length on the famine situation and the steps being taken by the Government to tackle the problem which affected nearly 23,000 villages and over 13,000,000 people.

He spoke for 50 minutes, but his address was boycotted by 19 members of the Opposition consisting of Communist, BKD, SSP and a solitary Swatantra member.

Sardar Hukam Singh said that the State Government had set up a committee to solve the famine problem on a permanent basis, taking into consideration the financial position of the Government.

He referred to the "remarkable increase" in the **per capita** income in Rajasthan, but added that the trend was likely to have a set-back due to the famine.

According to him, in 1967-68, at the present price index, the income of the State Government had increased to Rs. 1,155 crores, as against Rs. 1,023 crores in 1966-67. This was an increase of 12.90 per cent.

Although the population of the State was increasing at the rate of 2.33 per cent, the increase in **per** capita income was 10.15 per cent —from Rs. 453 in 1966-67 to Rs. 499 in 1967-68.

Power Position:

He sounded an optimistic note in regard to the power position and said that in the next two or three years the State would not only wipe out its power shortage but would be in a position to feed new industries. At present, he said, Rajasthan produced 2.5 million units of power per day. This was likely to increase to 3.6 million units per day in 1969-70 and 4 million units in 1970-71.

There was a possibility of availability of increased power from the Rana Pratap Sagar and the Jawaharsagar dams by 1970-71. There was also the possibility of the commissioning of the first unit of the atomic power plant at Rana Pratap Sagar at the end of 1970, which would give 175 mw of power.

He said that there was a proposal to double the capacity of the zinc smelter in Udaipur and by the end of 1971 the copper smelter in Khetri might also be commissioned. A machine-tool factory was also being set up in Ajmer. There was also a possibility of establishing a factory for marble cutting and polishing in the State.

(**The Statesman,** New Delhi)

[Prev. ref. 8174:INI:O]

Z. **Rajasthan Budget:** The Rajasthan Budget estimates for 1969-70, presented in the State Assembly on March 8 by the Finance Minister, Mr. Mathuradas Mathur, revealed a deficit of Rs. 20.45 crores.

Revenue receipts were estimated at Rs. 144.53 crores, and expenditure at Rs. 174.34 crores.

Mr. Mathur said that the State Government expected a substantial increase in the devolution of the Central taxes and grant-in-aid under Article 275 of the Constitution when the recommendations of the Finance Commission were made.

He proposed to balance the Budget from the allocations proposed to be made by the Finance Commission.

In view of the increased expenditure on the Plan schemes, he announced a number of important measures to mobilize resources. The total of these measures was equal to the additional Plan outlay. He also announced some tax concessions.

He proposed revision in the rates of surcharge on land revenue and cess on commercial crops like sugarcane, cotton, chillies, zira, dhanta, groundnut, til and linseed. In the case of holdings above 30 standard acres, the rate of surcharge would be 150 per cent. Only rich farmers would be affected by the revision in the surcharge rates. The measure would bring Rs. 50,00,000. The realization from the cess on crops would be Rs. 75,00,000.

He also proposed to raise tax on beer from 12 to 15 per cent.

The sales-tax on other varieties of foreign and Indian liquors would be raised from 15 to 25 per cent. Country liquor, which had been exempted from the levy of sales tax, would now be taxable at the rate of 10 per cent. Tax on bhang would be 7 per cent. This would bring in an additional revenue of Rs. 80,00,000.

He also announced a proposal to levy a two per cent sales tax on sweets sold by "halwais" whose turn-over exceeded Rs. 30,000 a year.

He also proposed to levy a 10 per cent tax on pure silk fabrics and a uniform tax of 10 per cent on all explosives, tax of 10 per cent on palm oil, refined coconut oil, pure silk goods, furs, leather goods except footwear, articles of foam rubber, glazed tiles, laminated sheets, perambulators and picnic sets. Tax on imitation jewellery had been raised from 5 to 7 per cent. Tax on khandsari had been levied at the rate of 7 per cent.

Mr. Mathur made two important policy announcements. He said that part of the dearness allowance of Government employees with pay up to Rs. 499 would be treated as pay from December 1, 1968, for purposes of pension, gratuity, provident fund, house rent allowance, city allowance and other matters. Also, octroi levied by municipalities and some panchayats would be abolished.

(**The Statesman,** New Delhi)

[Prev. ref. 8272:INI:T]

INDONESIA

A. **Relaxation Of Import Curbs:** The Trade Ministry on February 17 lifted the ban on import of goods like limousines worth more than $2,000, radios, record changers and television sets.

The ban had been in force since January 29, 1968.

It was found that despite the ban the public still wished to import the goods privately or by mail paid for with their own foreign exchange accounts abroad. Many foreign businessmen also wished to import these goods. In addition, according to the Government, the lifting of the ban would draw foreign exchange accounts back to Indonesia. For these considerations the Trade Minister revoked the ban.

The decision also covered goods for which letters of credit had been opened or goods paid with foreign exchange accounts abroad which had arrived in Indonesian ports awaiting clearance.

Cars with prices exceeding $2,000 and television sets were now subjected to an additional import duty of 100 per cent.

The Chairman of the Exporters' Association (GPEI), Mr. Naafi, told **Antara** recently that "hot money" was flowing back because its origin was not under investigation and in addition, the prospects of profit were greater in Djakarta than if they had remained as savings account abroad.

He predicted that Indonesian exports could reach $900 million. The export target (with the exclusion of oil) this year was set at $595 million. In 1968, $565 was realized through exports including an over-price of about $100 million.

According to Mr. Naafi, if smuggling could be prevented and the intricate export procedures simplified, the export target of 1969 could be reached, or even surpassed.

(Antara)

[Prev. ref. 8166:IND:A, 8355:IND:A]

B. **Japanese Textile Factory To Be Set Up:** A big Japanese business syndicate is planning to set up a large textile manufacturing venture in Indonesia.

The **Nohon Keizai** of Japan reported on February 13 that the syndicate would consist of nine firms centering around Toyo Rayon Co. the top Japanese chemical textile manufacturers, and including six major trading firms such as Mitsui and Mitsubishi.

According to the report, the syndicate plans to invest about $50 million, including $20 million from Toyo Rayon, to organize a comprehensive chemical and synthetic textile manufacturing project in Bandung, Java.

According to a tentative plan formulated by Toyo Rayon authorities, a factory, initially producing 10 tons each of nylon and polyester fibres, and another for manufacturing finished textiles, will be erected. At the very first stage of the project, dyeing, processing, spinning and weaving facilities will be set up with the aim of completing the entire factory complex in three years.

Indonesian textile interests are also expected to participate in the project, investing about $300,000.

(Antara)

[Prev. ref. 8402:IND:A]

IRAN

A. **Relations With Lebanon Severed:** A Foreign Ministry spokesman announced on April 2 that Iran had severed diplomatic relations with Lebanon.

The announcement was made 48 hours after reports from Beirut that the former head of Iranian Security, General Bakhtiar, who was wanted by Iran on criminal charges, had been released from a Beirut jail.

When General Bakhtiar was arrested in Beirut in 1968 on charges of smuggling arms, the Lebanese Government was reported to have promised Iran that he would be handed over.

After he had served a prison term on charges of smuggling arms, the Lebanese Government released him.

On April 6, Iran banned Lebanese aircraft from its territory and ordered Lebanese Airlines to close their offices in Tehran and repatriate their staff.

The Iran National Airlines also cancelled all its flights to Beirut.

(The Times, London)

[Prev. ref. 8498:LEB:A]

ISRAEL

A. **Mrs. Golda Meir Becomes Premier:** Israel's new Prime Minister, Mrs. Golda Meir, won a confidence vote in the Knesset (Parliament) by 84 votes to 12 on March 17.

The former Prime Minister, Mr. David Ben-Gurion, abstained in the vote.

Mrs. Meir, a 70-year-old grandmother and for decades one of the country's leading political figures, was then sworn-in as Prime Minister—the first woman to hold the post in Israel's history.

In her policy statement to the House, Mrs. Meir said that the new Government would carry on the programme of Mr. Levi Eshkol's administration.

In her inaugural speech in the Knesset, she said that Israel had the right to defend herself against sabotage, irrespective of whether terrorist organizations or Arab regular armies perpetrated it. "Peace will only come when Arab States agree to conduct direct negotiations with us with a view to concluding peace treaties."

She blamed the Soviet Union for the aggressive preparations which brought about the six-day war in 1967 and France for imposing a "biased" embargo on arms sales to Israel.

Mrs. Meir is Israel's fourth Prime Minister since the establishment of the State nearly 21 years ago, a former Foreign Minister and later Labour Minister.

(The Times, London and **Tel Aviv Radio)**

[Prev. ref. 8825:ISR:B, 8842:ISR:B]

JAPAN

A. **Nuclear Agreement With USA:** A Nuclear Co-operation Agreement was signed in Tokyo between the Power Reactor and Nuclear Fuel Development Corporation of Japan and the United States Atomic Energy Commission on March 4.

It provides for an exchange of information and patents concerning fast breeder reactors. The Japanese organization said the Agreement would involve reactor physics, nuclear safety, fuel and materials and sodium technology.

(The Times, London)

[Prev. ref. 8415:JAP:A]

MALAYSIA

A. **Agriculture Bank Bill Passed:** Parliament passed on February 20 a Bill for setting up a bank which would provide credit facilities to farmers.

The Minister of Agriculture and Co-operatives, Haji Ghazali Jawi, introducing the Bill said that the proposed bank would advance loans directly or through co-operatives to those engaged in agriculture and fishing.

He said: "The bank would be in a central position to provide loans to other bodies active in the agricultural field. It would be a place for farmers, small-holders and other bodies to save money. It would cater for the farmers and small-holders and would extend its credit facilities to those with small incomes."

(The Malaysian High Commission, New Delhi)

[Prev. ref. 8364:MAL:C]

B. **New Land Scheme:** Canada has agreed to help carry out a survey on the 2500,000-acre jungle land on the Pahang south-eastern area. When developed, this area will provide land and jobs for about 8,00,000 people.

The Deputy Prime Minister, Tun Abdul Razak, said on February 23 that the "master-plan" for this huge land development project was expected to be completed by next year.

He advised the rural people who had no land to be prepared to move to new development areas in order to make use of the opportunities provided by the Government to better their livelihood.

(**The Malaysian High Commission,** New Delhi))

C. **Federal Parliament Dissolved —Plans For General Election:** The Federal Parliament was dissolved on March 20 preparatory to the third General Election since Independence. Polling is scheduled for May 10.

In 1964, the shadow of confrontation with Indonesia had loomed dark, but in fact the only big upset that followed was the ejection of Singapore. This time the air is again ringing with renewed Malaysian accusations of Philippines ill intent towards Sabah.

This will be the first time that Sabah has had direct voting in a federal election.

Sarawak is also taking part directly in federal elections for the first time. Again in Sarawak, it is the first time the people's wishes will be put to the test since the 1966 agreement with Indonesia ending confrontation.

An election at State level was part of that deal, and it is a further sign of Indonesia's understanding and moderation that there appears to have been no pressing for an earlier election.

For the bulk of the seats on the Malaya Peninsula, the general expectation is that the alliance of three communal governmental parties—United Malays' National Organization (UMNO), the Malay-Chinese Association and the Malaysian Indian Congress—will again be seen comfortably home, principally through solid Malay support for UMNO.

(**The Straits Times,** Kuala Lumpur and **The Times,** London)
[Prev. ref. 5851:MAL:A]

MONGOLIA (Outer)

A. **Train Detained By China:** According to the Soviet news agency, **Tass,** Mongolia protested to China on February 4 against the "deliberate act of provocation" in delaying an international passenger train which linked Moscow with Peking via Ulan Bator.

An **aide memoire** by the Foreign Ministry, quoted by **Tass,** claimed that the train, which had arrived at the border station of Dsamyn-Ude according to schedule, had been detained there on February 3 for more than 12 hours.

It said that China bore full responsibility for the consequences of this incident.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 7214:MON:A, 7247:MON:A]

PHILIPPINES

A. **Atomic Power Pact With India:** The Philippines and India signed on March 14 an Agreement calling for mutual co-operation in the use of atomic power for peaceful purposes.

The Foreign Secretary, Mr. Carlos P. Romulo, and the Indian Ambassador, Mr. Anand Sarup Dhawan signed the Agreement in Manila.

(**The Manila Times**)

THAILAND

A. **General Elections:** In the first General Elections held in 11 years in the second week of February, the United Thai People's Party (UTPP) of the Prime Minister, F-M. Thanom Kittikachorn, won a commanding position.

When the ballots from all 71 provinces were counted, the UTPP had won 75 seats in the 219-member House of Representatives. It could also count on the backing of 72 Independents.

The Opposition Democratic Party won 56 seats. The other seats went to the candidates of five smaller parties.

Polling took place on February 10, but the counting process was slow because of the remoteness of some regions.

The members of the House and the 164 appointed members of the Senate are expected to be called into joint session by royal decree. It will be the first time in more than a decade that Thailand has had a working Parliament.

The immediate effect of the election was to give a civilian character to the military **regime.**

According to observers, another effect of the vote was consolidation of the already strong position of Gen. Praphas Charusathien, the Deputy Premier, Minister of Interior and Commander of the Army. Gen. Praphas is said to enjoy the personal allegiance of about half of the Government party members and most of the newly-elected Independents.

Seni Pramoj, the leader of the Democratic Party, said he was pleased by his party's success in the Bangkok area and "not surprised" by the Government's success elsewhere in the country. The Democrats swept all 21 seats in the Bangkok-Thonburi area.

The Government's strength lay in the rural areas where UTPP nominees or pro-Government candidates were successful.

Fears that guerrillas would disrupt polling wherever possible partly came true, but violence was limited. In the northern province of Nan, near the Laotian border, three children were among those who died when a grenade was thrown into a crowded booth. In the south, the police fought and killed two of a band of 60 guerrillas which had attacked another booth.

Details:

A total of 1,522 candidates contested the 219 seats. Twelve political parties fielded 653 candidates and the rest were Independents.

The election issue for all the parties was not so much about the Government but whether Thailand was to recognize communist countries and the communist way of life. Voting was fairly clear that the people were overwhelmingly anti-communist. The Independents were mostly of the strong anti-communist Free People League of Thailand. The Democrats were also opposed to communism as a threat to the Thai trinity—Nation, Religion and King.

The parties which suffered heavily were sympathetic to neutralism and China. The Economist United Front won only four seats in the eastern province of Khon Kean. Its Secretary-General lost the election. The party advocated recognition of China. The People's Party, which called for friendly relations with all countries, including China got only two seats. Among others, the Democratic Front got seven seats, the Joint Aid to the Farmer Party one and the Free Democratic Party one.

A highlight of the elections was that in the communist-infiltrated north-east, in only one of the 16 provinces the Economist United Front (EUF) won the seat. The Democratic Front candidate who opposed US forces in Udorn and his brother, who were both MPs, lost their seats. The elections showed a significant change in the attitude of the people of the north-east who were said to be socialist and neutralist. The Government's efforts to win over these provinces with economic development and cultural and educational opportunities had been successful in turning them away from communist sympathies. However, EUF, which campaigned for trade with China, was said to have had considerable financial and other support from Chinese merchants and Thais of Chinese origin in the urban areas.

Commenting on the elections, a Government spokesman said that since the Viet-Nam war had reached its critical and possibly final stage, the Government's first task was to fight the communists inside the country. "We do this by building up national economy, raising living standards and giving better education. The elections have brought in people's representatives to share in the administration of the country. This is a major political setback for the Communists. The first round has been won by us".

Mr. Seni Pramoi said the elections had given a change for the public to understand the meaning of democracy and the Democratic Party considered itself a buffer between the Government and the Communists.

The new Government elected under a new Constitution, according to a spokesman, will "do all it can to establish a stable political party system in Thailand and to provide for further progress along the road to democratic society by the time the next General Elections are held, four years from now."

Since the change-over from absolute to constitutional monarchy in 1932, Thailand has had 29 Governments under 11 Prime Ministers. There were nine General Elections, the last on December 15, 1957. Voters varied from 1.7 million to 5.6 million. In all the previous elections, the number of votes cast was less than half of the eligible votes.

(The New York Times, Bangkok Post and **The Hindu,** Madras)

[Prev. ref. 8570:THI:B]

B. **Future Of American Troops:** In an interview made public on February 13, the Foreign Minister, Mr. Thanat Khoman, said that the 48,000 US troops stationed in Thailand would have to leave after the Viet-Nam war "unless there is some compelling reason for them to stay."

Even if such a reason developed after the war, he said, a new Agreement would have to be drawn up between the two countries. "Our present Agreement is valid only for the duration of the Viet-Nam war." If after the fighting is over, there is no compelling reason for the troops to stay, then they will have to leave."

He added that a sufficiently compelling reason might be an external attack on Thailand, but he emphasized that his country intended to shoulder the main burden of its own defence. "It's our intention to assume full responsibility for our own security. We shall not ask for outside man-power as long as we can cope with the situation ourselves. We have no intention of having the youth of another country come and risk their lives for us."

Discussing the American soldiers stationed in his country, he said the people were "not too happy about the presence of foreign troops on Thai soil." He noted that the Opposition Democratic Party had raised the point during the election campaign.

(The New York Times)

[Prev. ref. 7513:THI:A]

YEMEN

A. **Plot To Overthrow Government Foiled: Sana'a Radio** said on January 27 that an attempt to overthrow the Government of President Abdul Rahman Iryani by the former Commander of the Republican "storm troops," Abdul Wahab el Rakeeb had been smashed.

Rakeeb, leading a band of former Yemen army officers, was killed.

Rakeeb (28) had been seported with 27 other officers last September after leading an abortive mutiny. Political sources said he had returned to Aden, South Yemen, in January and then travelled to Sanaa.

Reports reaching Beirut a week before said he had arrived at Mount Nuqum overlooking Sanaa and sent word to President Iryani and Premier Hassan Amri that he would lead his followers against them. Nothing further was heard until **Sanaa Radio** announced that a **coup** attempt by Rakeeb had failed.

(The Egyptian Gazette, Cairo)

[Prev. ref. 8178:YEM:A, 8725:YEM:B]

ASIA OUTSIDE ASIA

A. **Australia's New Governor-General—Other Cabinet Changes:** It was announced in London on February 10 that Australia's Governor-General, Lord Casey, had resigned and would leave office at the end of April, 1969.

He would be succeeded by Mr. Paul Hasluck, who is now Australia's External Affairs Minister.

Lord Casey was Governor of Bengal before Independence.

The Queen, in accepting Lord Casey's resignation made him a Knight of the Garter—one of Britain's top honours.

Mr. Hasluck was made a Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George.

In Canberra, the Australian Prime Minister, Mr. Gorton announced that Mr. Gordon Freeth, Minister for Air, would succeed Mr. Paul Hasluck as Minister for External Affairs.

(The Times, London)

[Prev. ref. 6942:AOA:P]

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BURMA

A. Mrs. Indira Gandhi's Visit: India's Prime Minister, Mrs. Indira Gandhi, paid a State visit to Burma from March 27 to 30.

The highlight of the visit was the talks she held with the Chairman of the Revolutionary Council, Gen. Ne Win, in the holiday resort of Sandoway on problems of common interest and concern.

On March 27, speaking at a banquet given in honour of Mrs. Gandhi in Rangoon, Gen. Ne Win stressed "friendly relations that have long existed between India and Burma."

He referred to Burmese co-operation in operations against hostile Nagas and said his Government had taken "necessary measures against those nationals of India who seek to use our territory for hostile activities against India."

He added: "Needless to say, such action on our part serves not only our mutual interest but also the larger interest of peace and amity among the neighbours.

"We do not countenance the use of the territory of one State by nationals or organizations of another State as a base for hostile activities against their home State or against a third State."

He said that Burma had assiduously sought to avoid taking sides with one neighbour as against another since such conduct would not serve the interest of the region.

He suggested that the countries directly involved should make "every effort by themselves to resolve by peaceful means any difficulty that may arise between them. "We are confident that ultimately the countries of the region will come to some mutual understanding on the terms of co-existence, and that such a development will be greatly facilitated if each country steadily pursues its goal of economic and social progress, firmly maintains its political independence and territorial integrity."

Reception By All-Burma Indian Congress:

Speaking at a reception accorded to her in Rangoon on March 28 by the All-Burma Indian Congress, Mrs. Gandhi asked the Indian community to face the realities of the situation courageously and find solutions to their problems.

She said she realised the difficulties of Indians in Burma, but they had to consider their problems against the realities of today. They themselves had to answer the question how they could fit into this reality. She told them that they owned their loyalty to the country in which they lived.

She described as "baseless" reports in the foreign Press that India was disintegrating. She said that India had made progress and achieved greater strength. It was true that different parties had formed Governments in different States. But the Central Government headed by her had offered them all co-operation and she expected the same from them.

Earlier, Mr. G. N. Banerjee, President of the Congress, said Indians in Burma "are confronted with many problems and have to leave Burma. Many have already left and more will follow soon". He requested that Indian repatriates from Burma be properly rehabilitated.

Talks On Trade:

Meanwhile, the prospect of increased trade between India and Burma and the problems of Indian nationals and people of Indian origin in Burma figured prominently in a discussion between Foreign Ministry officials of the two countries in Rangoon on March 28.

The Indian team was led by the Foreign Secretary, Mr. T. N. Kaul, and the Burmese side by his counterpart, U Tun Sein.

As regards the problems of Indian nationals and people of Indian origin in Burma, the Burmese officials were understood to have given an assurance to expedite income-tax clearance for exit permits to intending repatriates.

The Burmese team had also agreed to look into cases of people of Indian origin who had applied for Burmese citizenship, but had yet to get nationality certificates.

On the question of expansion of Indo-Burma trade, India emphasized an increased volume of trade without considering the balance of trade aspect which had been traditionally in favour of Burma.

India showed interest in respect of setting up a textile mill in Burma and for supply of penstock pipes, trucks and electrical machinery.

Burmese officials were understood to have said that Burma at present had suspended all imports and was considering whether she could carry on with the present shortages or she should take on an increased burden of imports. The officials, however, reacted favourably to the principle of expansion of trade between the two countries.

Talks At Sandoway:

The same day (March 28), Mrs. Gandhi and Gen. Ne Win flew to Sandoway for talks which, according to reports, covered a wide range of issues, including Viet-Nam, West Asia, China's attitude, regional economic co-operation and bilateral relations.

Only for the last one hour of their talks they were joined by an official from either side.

The Prime Minister's Joint Secretary, Mr. S. Banerjee, and the Burmese Cabinet Secretary, Col. Ko Ko, joined at the final stage of talks.

According to reports, the Burmese side disclosed at the talks that a draft agreement for payment of compensation to Indian repatriates was being worked out.

Mrs. Gandhi thanked Gen. Ne Win for the help extended by the Burmese Government in curbing the activities of hostile Naga elements.

The two leaders discussed at length economic co-operation between the two countries in the context of problems of developing countries. They thought that speedy self-reliance could be achieved by under-developed countries on the basis of self-help mainly and by mutual co-operation to some extent.

The Joint Communique:

A joint **communique** issued on March 30 on Mrs. Gandhi's visit said in part: "The Chairman and the Prime Minister availed themselves of the opportunity afforded by the visit to hold talks on bilateral and international matters of common interest. These talks were held in an atmosphere of friendship, cordiality and mutual understanding.

"The Chairman and the Prime Minister were of the view that the maintenance of international peace and security would be greatly facilitated by all States respecting one another's sovereignty, independence and territorial integrity and refraining from interference in one another's internal affairs.

"The Chairman and the Prime Minister were of the view that the difficulties inherent in the processes of development of the developing countries are sometimes made the occasion for outside interference and pressure.

"They agreed that successful national efforts on the part of the developing countries themselves to promote their rapid socio-economic and political advancement, free from outside interference, would not only strengthen those countries but would also improve international relations.

"The Chairman and the Prime Minister expressed deep concern over the situation in West Asia and hoped that the efforts of United Nations and other parties concerned to avert a major conflict in the region and to work out a peaceful settlement will be continued and bear fruit.

"The Chairman and the Prime Minister re-iterated their belief in a peaceful political settlement of the Viet-Nam question and expressed the hope that the current expanded peace talks will result in an early settlement within the broad frame-work of the Geneva Agreements.

"The two leaders re-iterated their faith in the Charter of the United Nations and emphasized their strong belief that all countries should co-operate in the establishment of lasting peace in the world. They agreed that force or threat of force should not be used in the settlement of international disputes and that such disputes should be settled only through peaceful means.

"The two sides also discussed the various problems that have arisen concerning citizens of India in Burma and other people of Indian origin who have not yet become citizens of Burma, and exchanged views on ways and means of solving them. They agreed that these matters should be resolved early through further mutual discussions.

"Both leaders agreed that there was considerable scope for further expansion of trade between the two countries and expressed the firm desire of their Governments to expand mutual trade and commerce."

Statement In Indian Parliament:

Reporting on her visit, Mrs. Gandhi told Parliament in New Delhi on April 3 that Gen. Ne Win and his Government had agreed to look into the problems concerning Indian citizens in Burma and those of Indian origin awaiting registration as Burmese citizens "sympathetically and expeditiously."

In her statement, she said: "The relationship between India and Burma is closer than merely that of neighbours. Through the ages it has been sustained by the abiding values which have been cherished and shared by our two peoples. This long tradition of friendship was reinforced during our common struggle for freedom.

"Chairman Ne Win and I had occasion to review the world scene in the light of political and economic issues of importance to the world today and more especially to us in the developing countries. As the House is aware, Burma and India stand for the promotion of international peace and understanding, based on respect for the sovereignty and independence of all countries. Our two countries attach the highest importance to the principle of non-interference in one another's internal affairs. In our discussions, we agreed that the principal task of economic re-construction which confronts our respective countries could be expedited by economic co-operation among the developing countries and more specially between neighbouring countries.

"I took the opportunity to thank Chairman Ne Win and his Government for their vigilance along the Indo-Burmese border which, as the House is aware, has helped us to take more effective measures against some of the misguided elements on our eastern border. I hope that the House has noted the observations made by Chairman Ne Win, during the banquet he was good enough to hold in my honour, that his Government would not countenance the use of Burmese territory by nationals or organizations of another State as a base for hostile activity against their home State or against a third State. Chairman Ne Win went on to say that it was in conformity with this basic stand that Burma had taken necessary measures against those nationals of India who sought to use Burmese territory for hostile activities against India."

(**The Hindustan Times**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 8635:BUR:A]

CEYLON

A. Federal Party Withdraws Support To Government: The annual convention of the Federal Party held at Uduvil in the first week of April decided to withdraw the support its parliamentary group had been extending to the Senanayake Government for the last four years.

[The Party has 12 members in Parliament. The Government would still have a majority as it could command the support of up to 90 members in the 157-member House of Representatives with the support of Independents and nominated members.]

A resolution passed by the convention charged the Government with practising "gross discrimination" in the establishment of industries and failing to provide appropriate means of communication in the Tamil-speaking areas.

It said there had been "total neglect and disregard" of the cultural and educational needs of Tamils and a "deliberate attempt to sever the cultural links between the Tamil-speaking people of Ceylon and South India."

It also noted that the Government's assurance on establishing a university in Trincomalee had not been fulfilled and that there had been inordinate delay in putting into effect the Tamil language regulations.

The convention felt that the Party could not serve the interests of the Tamil-speaking people by continuing support to the Government any longer.

It also adopted another resolution re-iterating the Party's demand for a federal form of government.

Earlier, in his Presidential address, Mr. Rasamanikkam said the Tamils had been completely disillusioned in their co-operation with the United National Party of Mr. Dudley Senanayake.

He recalled that a year ago at the last annual comference at Kaimunal, the Prime Minister also addressed it. Then they had confidence in the Government. Following the passage of the Tamil Language Special Provisions Regulations, they hoped the Government would take effective steps to meet the other demands of the Tamil-speaking people. But now all their earlier hopes had been shattered. The Tamils had come to the conclusion that the Government would do nothing to solve their problems.

He said that the miserable state of affairs of the Tamil people in this land was due to the fact that the unitary type of Constitution had made the majority community the rulers and the Tamils the ruled. Their leader, Mr. S. J. V. Chelvanayagam, foresaw what was in store for the Tamil people many years ago and had urged that the salvation of the Tamil people lay only in a federal type of Constitution.

He complained that all development projects launched with foreign aid were located only in the Sinhalese areas and not one in the Tamil provinces. While intensive efforts were being made in the field of agriculture, Tamil agriculturists were offered no assistance or inducements.

The recent decision to restrict the number of copies of South Indian Tamil films was a measure aimed at destroying the Tamils culturally. Their experience in the last 21 years had shown that any Government at the Centre would be a Government of the majority community and unless that position was altered, the Tamils could never hope to get justice and fair play at the hands of the Government. They had now come to the stage of launching a struggle to alter the structure of the Government.

(**The Hindu,** Madras)

[Prev. ref. 8359:CEY:A]

B. **Increase In British Loans:** At the Aid Group meeting in Paris (see page 8871), Britain pledged a substantial increase in its loans to Ceylon for economic development.

Britain promised to make available £4,000,000 for Ceylon's import programme and a further £2,000,000 for specific development projects.

These, like other British loans to Ceylon since 1965, are interest-free and repayable over 25 years, including a three-year grace period.

Britain also promised to consider providing a further allocation of aid under the Rome Food Aid Convention. Britain recently made available £1,000,000 for the purchase of flour and other food under this Convention.

In 1968, British loans amounted to £2,000,000 for the purchase of commodities. This sum was recently increased by the offer of a further £500,000 for the purchase of commodities.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 8871:CEY:A]

C. **Maj-Gen. H. W. Wijekoon Dead:** Maj.-Gen. H. W. Wijekoon, Ceylon's Ambassador in Rome, died in an Italian hospital on March 14 of injuries received in a car accident.

Maj-Gen. Wijekoon, who was 58, had earlier been High Commissioner in Pakistan. Before entering the diplomatic service, he was Commander of the Ceylon Army.

(**The Ceylon High Commission,** New Delhi)

CHINA

A. **Soviet Union Proposes Negotiations On Border Dispute:** Russian newspapers on March 30 published a statement in which the Soviet Government called on China to hold talks on their border problems with a view to avoiding further conflict.

At the same time, it warned Peking that military threats "will be met with a firm rebuff."

The statement was sent to the Chinese Government through its Embassy in Moscow on March 29. It re-iterated that Russia's position on the border question was justified by history and held out no prospect that China's territorial demands would be met.

It said that the recent border clashes on the Ussuri River could only give satisfaction to "those who would like by any means to dig a chasm of hostility between the Soviet Union and the Chinese People's Republic." It had "nothing in common with the cardinal interests of the Soviet and Chinese people".

China was again blamed for the incidents in which Soviet frontier guards had been killed and others injured, and for refusing to recognize the validity of the borders as defined at present. Claims to various sections of territory on the ground that they had once been under Chinese influence or sovereignty were "alien to Leninist policy".

The statement recalled that the present border was fixed by treaties drawn up in 1858 and 1860 and that, according to a map agreed on by the Tsarist Government and the Chinese Empire in 1861, the border in the area of Damansky island passes along the Chinese bank of the Ussuri, thus placing the island in Russian territory.

Much of the Russian argument was given over to a refutation of China's attempts to link these border agreements with the unequal treaties of the 19th century, under which Russia obtained territorial concessions, railway rights, extra-territorial privileges, and other concessions from the Manchu Empire. The Soviet Government renounced the unequal treaties after the October Revolution, and was recognized to have done so by Sun Yat-sen and subsequently by Mr. Mao Tse-tung.

The statement said the recent Chinese policy linking the border issue with the unequal treaties was "a concoction from beginning to end", designed to sow hatred for the Russian people.

Peking was reminded that from the time of the Communist victory in China until the 1960's, relations in the border areas had always been harmonious, and Mr. Chou En-lai, the Prime Minister, had said in Nepal in 1960 that border disagreements between the two countries were "insignificant". The Russians also recalled their economic aid to China in the years before relations deteriorated.

In February, 1964, after China had begun to press territorial claims, talks on the border issue were held in Peking, but the Chinese used these discussions to question the validity of the historical treaties, and they were broken off and never resumed.

The Soviet Government believed it was now necessary "to take without delay practical steps to normalize the situation on the Soviet-Chinese frontier", and the statement urged the Chinese "to refrain from any actions on the frontier that may cause complication." It suggested that the 1964 consultations be resumed "in the nearest future".

However, the statement concluded with the warning that Moscow "resolutely rejects any encroachment by any one on Soviet land, and that any attempts to talk to the Soviet Union and the Soviet people in the language of weapons will meet with a firm rebuff".

Chinese Reaction:

On March 30, a Chinese Embassy spokesman described the Soviet appeal to negotiate a settlement of the Sino-Soviet frontier dispute as "a tissue of lies and slander."

The spokesman said that the Soviet statement proposing negotiations sent to China was "from beginning to end a tissue of lies and slander. The facts contained in the statement were a mixture of truths and lies."

But, he added that the statement was "without doubt" being studied in Peking, although he did not know what his Government's reaction would be.

Fortification Of Ussuri River Border:

Pravda reported on March 28 that Chinese troops were building up military fortifications on their side of the River Ussuri at the scene of the recent Sino-Soviet border fighting.

In an undated report on a visit to a Soviet frontier post, a **Pravda** correspondent, Col. Sergei Borzenko, said that one night the Chinese had shelled and machine-gunned the disputed Damansky (China calls the island Chen Pao) island. Chinese scouts had penetrated the island but had been driven off again by Soviet fire.

"Shots and explosions could be heard on Damansky", he wrote. "Chinese cannon and machine-guns were bombarding the deserted island." The next morning the Chinese shelled the island with mortars. "The Maoists got their deserts but they learnt nothing. They are trying to frighten us, but we are not afraid".

He said that at night Soviet guards could hear the sound of the preparation of earthworks coming from the Chinese side opposite Damansky's neighbour island of Kirkinsky, also claimed by China. "Deep explosions can be heard. They are digging fortifications, setting up a command post and establishing a communications net-work over there". He disclosed that Russian border guards were now regularly patrolling the frontier along the frozen River in armoured cars.

But the ice was already beginning to crack. "Just a few more sunny and windy days and it will be impossible to ride on the Ussuri, and then a little later it will be impossible to cross over to the islands on foot."

(**The Times**, London and **The Statesman**, Calcutta)

[Prev. ref. 8883:CHI:A]

HONG KONG

A. **Emergency Ordinances Repealed:** The Government announced on March 28 the repeal of emergency Ordinances instituted during Communist-led rioting in 1967.

Among the laws repealed were two which gave authorities special powers "to detain ships, aircraft and vehicles as well as people on board."

In announcing the repeal of these two laws, the Government said: "They are no longer necessary as similar power exists in the Public Order Ordinance."

(**The Statesman**, Calcutta)

[Prev. ref. 7869:HGK:A]

B. **Harbour Tunnel Project:** Hong Kong took a giant step towards the construction of a long-awaited $50 million cross-harbour tunnel on March 29 when the Government agreed to help finance the project.

The Government informed the Cross-Harbour Tunnel Co. Ltd. that it was prepared to subscribe 25 per cent of the company's share capital up to a maximum of $5 million. It also promised to give, with other shareholders, a counter-guarantee of its proportionate share of a British bank loan of $31 million to be guaranteed by the British Export Credit Guarantee Department.

The Government's agreement was conditional on the formal approval of the Legislative Council and on the final settlement of certain matters being negotiated between the tunnel company and the ECGD and Costak Consortium, the proposed contractor, and on the completion of the company's other financial arrangements.

Mr. Richard Brothers, spokesman for the company, said the question of guarantees had been a major stumbling block in the negotiation. "The Government's decision removes the main difficulty in the negotiations with ECGD.

"If a similar announcement comes quickly now from the Hong Kong and Shanghai Banking Corp. on the 10 per cent holding it has offered and indicated it might take up, final talks with the necessary British interests will be rapidly concluded."

(**The Times**, London)

INDIA

SUMMARY: Nagas' Changed Attitude; Defence Plan; Bengal Strike & After; CPI And CPI(M) Resolutions; More State Budgets.

A. **Kutch Border Demarcation Agreement:** The last hitch in the demarcation of the Kutch border was removed on April 7 when Pakistan accepted India's claim to a rocky feature with "Control Pillar-6".

The agreement was reached after three days of discussions between officials of the two countries.

It was agreed that "the feature in respect of Control Pillar-6 was within Indian territory".

The meeting noted with satisfaction that 95 per cent of the demarcation work had been completed and expressed confidence that the remaining work would be over by the end of June, one month behind schedule.

(**The Times of India**, Bombay)

[Prev. ref. 8767:INI:I]

B. **Hostile Naga Leaders Disavow Independence Demand:** The moderate revolutionary "underground Naga government," led by Mr. Kughato Sukhai, openly stated for the first time on April 11 that it would not hold to sovereignty which was unacceptable to the Government of India.

The "revolutionary Government President," Mr. Sukhai, and the "Prime Minister," Mr. Scato Swu, stated that they were willing to work out a settlement acceptable to the Government of India and the Naga people.

They also strongly urged the Central Government to open talks "for finding a permanent solution to the problem," according to Dr. M. Aram, a Convener of the Peace Observers' Team.

Dr. Aram returned to Kohima on April 11 after a week-long tour of the interior parts of the State including Zingti, headquarters of the "revolutionary underground government."

He said that the revolutionary leaders had agreed that efforts should be made as the first step for talks for gaining the concurrence of the State Government. Revolutionary leaders were prepared to work out some understanding with the State Government in this direction.

Khensa Group's Decision:

Next day (April 12), Mr. Imkomaren Jamir, leader of the "Khensa" group—another breakaway faction of the pro-Peking "underground" Nagas—in a statement expressed himself in favour of a "peaceful settlement of the vexed Naga problem with the Government of India".

The statement urged all Nagas to work unitedly in order to arrive at a "reasonable politiral solution" of the Naga problem with the Government of India. While the underground Nagas could not achieve their goal of Independence when they were united, he said, "it is very difficult for us to achieve it now when we are divided into small groups."

It was this self-styled Lt.-Col. Jamir and 22 other young Naga "underground" army-men who had spear-headed a revolt against the extremist pro-Peking faction of the federal set-up during March, 1969. They set up a new headquarters at the peace camp in Khensa in Mokokchung district, the second biggest administrative and military headquarters of the federal "underground Nagas" after Chedema. Chedema is now in the hands of the "Revolutionary Underground Government" led by Mr. Kughato Sukhai.

The statement by the Khensa group said: "For the last 14 years, the people of Nagaland have been striving collectively for Independence. With understanding and full co-operation, all the Nagas have tried their level best to achieve their goal.

"But during the cease-fire period, there arose disunity and suspicion among the Nagas. It was very tough to achieve our goal even when we all were united, but there is very little chance of it as we are divided into groups."

The leader of the group, Mr. Jamir added: "It is my personal view that at this juncture, it will be best for Nagas to be within the Indian Union and have a settlement politically.

"With this view, I, with members of the 27th Battalion of the federal army, declare to the world that we enter under this settlement. Also we should abide by the Cease-fire Agreement of 1964.

"Friends of Nagaland, if you want to stay in peace, let us all join together and urge the Government of India for a reasonable political settlement, and work for the progress of Nagaland so that no destruction may come to Nagaland."

(The Statesman, Calcutta and **The Hindustan Times,** New Delhi)

[Prev. ref. 8421:INI:B, 8627:INI:H]

C. **Defence Plan For 1969-74—Ministry's Annual Report:** According to the annual report of the Ministry of Defence for 1968-69, a new defence plan is being formulated to cover 1969-74 in view of the rephasing of the Fourth Plan over this period.

This takes into account "the continuing hostility of Pakistan and China" towards India, "their strategic and military capabilities and the possibility of their acting in concert" against India.

The report also outlined a defence expenditure of Rs. 1,110 crores for 1969-70, which works out to 3.46 per cent of the gross national product. This is against the defence expenditure of Rs. 1,051.38 crores for 1968-69 which was 3.44 per cent of the gross national product.

Notwithstanding these threats to India's security, the report said, there had been no increase in the overall strength of the Army, though the fire-power had been increased with the introduction of more modern and sophisticated weapons. By and large, the Army was now equipped with weapons of post-1969 design for infantry requirements.

In armour and artillery and in the communications field too, considerable progress had been made in "re-equipment with modern weapons and equipment". Steps to re-equip the units completely with post-1960 weapons were in progress.

As far as the Navy is concerned, efforts are being made to build up naval strength in regard to patrolling and anti-submarine capabilities. The submarine arm, started in 1967-68, is being strengthened. In addition, "a phased programme" to replace the ageing ships of the Navy is in hand and it is expected that "with effect from 1971 it would be possible to commission one frigate a year from our own production."

The total strength of the Air Force—properly balanced at 45 squadrons—is not being increased. However, the obsolete and obsolescent aircraft are being phased out and new aircraft are being inducted into the Air Force. Besides this, "surface-to-air guided weapon complexes have been installed in certain vital areas for the improvement of our defence against enemy air attacks." Measures for introducing a sophisticated and reliable air defence communication system are also under way.

A sound defence production base for the Armed Forces continues to be provided. Self-sufficiency in defence production and emphasis on indigenous manufacture continue to be the key-note of the defence production effort, which is progressing according to plan.

(The Statesman, New Delhi)

[Prev. ref. 8269:INI:F]

D. **Bengal Bandh (Strike) And After:** Calcutta was totally paralysed on April 10 by the 24-hour "Bangla Bandh" (stoppage of work) called by the United Front and its trade union wing, the Rashtriya Sangram Samiti, in protest against the action taken by the security staff of the Cossipore gun and shell factory on April 2 resulting in the death of five persons.

The strike was peaceful except for an incident near Kanchrapara railway storeyard, about 30 miles from Calcutta, in which the police fired two rounds. A body was picked up from the place of the incident, but the police could not say whether he died of bullet wounds.

It was said that two persons were killed and 22 others, including 15 policemen, were injured in connexion with clashes near the railway workshop at Kanchrapara. The police fired two rounds to disperse the violent mobs who set fire to a number of houses at the railway colony at Kanchrapara. There was no casualty by firing.

There have been about a dozen "bandhs" (hartals) in Calcutta in the last three years, but none had been as complete.

There was no attendance at State Government offices. The Secretariat was deserted and for the first time the private telephone exchange in the building did not operate. Only a skeleton staff worked at the State police headquarters in the Secretariat.

Banks, mercantile firms, educational institutions, markets, shops, and cinema houses remained closed. All examinations were cancelled, and the State Public Service Commission did not hold any interview.

Even in Central Government offices the strike was almost total. The Reserve Bank and the General Post Office did not open. Only a few employees were found at the counters of the Central Telegraph Office. The gun and shell factory at Cossipore remained closed. The entire Dalhousie Square area, the hub of the city, was deserted.

The Indian Airlines did not operate any flight to and from Dum Dum. An Air-India plane which was scheduled to land at Dum Dum in the evening overflew to Bombay. A Union of Burma Airlines plane in which U Nu, former Prime Minister of Burma, was scheduled to arrive at Dum Dum from Rangoon was cancelled. Some international airlines took their passengers to the airport the previous night for their early morning flights.

Four ships left Calcutta port before the strike began at 4 a.m. No ship arrived at the port from the Sandhead. There was no loading and unloading at the port.

All suburban locals on the South-Eastern Railway were cancelled, while the long-distance train service was seriously affected. Five long-distance trains and a local train, however, reached Howrah early in the morning. No long-distance trains of South-Eastern Railway left Howrah in the evening.

The massive success of the strike was interpreted by United Front circles as an expression of popular resentment against the Government of India's attitude towards the United Front Government. Mr. Jatin Chakravarty, Minister for Parliamentary Affairs and joint convener of the Rashtriya Sangram Samiti, said the success of the strike proved the depth of the resentment and protest of the people against the Centre's "machinations" towards the popular West Bengal Government.

"We still hope", he said, "that the Centre will take a lesson from this spontaneous demonstration of people's indignation and refrain from further conspiracy to embarrass the UF Government in future, and give a fair deal to our State by acceding to the demands of the West Bengal Government".

Inquiry Commission Appointed:

On April 11, the Government of India appointed a single-member Commission of Inquiry consisting of Mr. S. K. Das, a retired Judge of the Supreme Court, to inquire *into the facts and circumstances relating to the firing by Defence Security Corps personnel at the Gun and Shell Factory, Cossipore, on April 8.*

The decision to appoint the Commission of Inquiry by the Government of India was in exercise of *the powers conferred by Section 3 of the Commission of Inquiry Act of 1952.*

Mr. Y. B. Chavan's Statement:

In the Lok Sabha on April 11, the Central Home Minister, Mr. Y. B. Chavan said that he looked upon the West Bengal Government's failure to take action under the law to prevent any obstruction of the functioning of Central Government agencies such as railways, posts and telegraphs and aviation services, as a serious issue which the Government of India proposed to discuss with the State Government at the highest level at an early date.

Mr. Chavan drew the West Bengal Government's attention to its constitutional obligations. The Government of India had, in November, 1967, requested the State Governments to take effective measures to prevent and deal with any interference in the working of various Central agencies on the occasion of "bandhs". In such agitations involving general stoppage of work, it was pointed out that if they refused to take or abstained from taking effective measures to prevent and deal with such interference, they would be failing in the discharge of their obligations under Articles 256 and 257 of the Constitution.

The whole basis of administrative structure envisaged by the Constitution would be seriously undermined if the State Government did not take action under the law to prevent any obstruction of the functioning of Central Government agencies such as railways, posts and telegraphs and aviation services. "It is unfortunate that in spite of the advice given in November, 1967 the West Bengal Government did not undertake to offer the necessary protection for the running of trains and the uninterrupted operation of international flights. It did not take steps to ensure that other Central Government agencies functioned smoothly."

Mr. Jyoti Basu's View:

But, the West Bengal Deputy Chief Minister, Mr. Jyoti Basu, told newsmen in Calcutta on April 12 that the Government had constituted the Commission of Inquiry into the Cossipore incident without consulting the State Government.

"It seems the Centre is no mood to co-operate with us," he remarked. "I have doubts whether they can go on with the inquiry as the State Government's court cases are continuing".

To the Centre's letter desiring the co-operation of the State Government in this matter, Mr. Basu said the West Bengal Government was not in agreement with the Centre's decision. He indicated that the State Government "may not co-operate".

Asked for his reaction to the Central Home Minister's statement in Parliament that the West Bengal Government had violated constitutional provisions, he said: "We do not think so. However, it seems he wants to discuss the matter with us. We also want to discuss the matter with him in Delhi".

Loss By Bengal Bandh:

Rough estimates, on the basis of the State's aggregate income minus that from agriculture, suggest that the one-day strike on April 10 in West Bengal has cost the nation anything from Rs. 6 to 7 crores.

The direct loss of non-agricultural income is reckoned at Rs. 3.5 to Rs. 4 crores. This does not reflect the wages of daily rate incomes, as income in the industrial sector is taken at value added basis. Strike-bound jute mills in the State have alone lost production worth Rs. 75,-00,000, most of which would have earned valuable foreign exchange.

To this has to be added the loss to the ports, airlines, railways and the Posts and Telegraphs Department, estimated at about Rs. 2 crores. There are also the losses suffered by the municipal and essential services. Street lights were kept burning the whole day in order to avoid a blackout in Calcutta city and adjoining towns on the night of the hartal.

(**The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8143:INI:B]

E. **Mr. Jyoti Basu's Threat To Central Government:** Inaugurating the 44th session of All-Bengal Teachers' annual meeting in Calcutta on April 12, the West Bengal Deputy Chief Minister, Mr. Jyoti Basu, declared that in the eventuality of the Centre refusing to provide "adequate funds to meet our special problems, there would be an agitation in West Bengal."

He said: "We are shortly going to Delhi to place our demands before the Central Government. They have the powers to give us funds, but they are not giving us anything. If they refuse to give us funds we will have to face them.".

Then, he told the teachers: "We will need your help and co-operation in the event of an agitation against the Centre."

He congratulated the teachers, particularly secondary school teachers, for extending their "full support" to the United Front during the mid-term poll.

He said that the Congress Government at the Centre had "insulted" the people of West Bengal by dislodging the first United Front Government from power. They had endangered parliamentary democracy in the country. The West Bengal electorate avenged it by returning the United Front to power with an overwhelming majority. "But it seems the reactionary Government at the Centre had not learnt a lesson. If the Centre refused to co-operate with the State Government by providing more powers and resources, we do not know how far the UF Government will be able to ameliorate the sufferings of the people.

"But, in that eventuality, the people will realize where is the enemy and whom to isolate. We will keep the people informed of the developments. There is nothing to be kept hidden from the people as the people are our source of strength."

(**The Statesman,** Calcutta)

[Prev. ref. 8210:INI:C, 8554:INI:F]

F. **CPI National Council Resolutions On Left Unity And Other Issues:** A vital step towards forging unity between the two Communist Parties including the Naxalites was taken in New Delhi on April 10 by the National Council of the CPI when it called for setting up a national co-ordination committee.

The Council, in a special resolution on Left unity, invited the Communist Party (Marxist) to join the CPI in having a joint Communist bloc in Parliament. The Central Secretariat of the party was authorised by the Council to have bilateral talks with the leadership of the CPI(M) on these proposals.

It pointed out that the unity of the CPI and CPI(M) would strengthen the national democratic forces and bridge the gulf between the Communist and non-Communist forces in the Left and democratic camp.

The Council appealed to the SSP and other Left and democratic parties to abandon anti-communism and such slogans as a non-Congress and non-communist front, because experience had proved the futility of such a front.

Reviewing the mid-term poll, it said experience had confirmed the supreme need for unity of action at all levels between the CPI and CPI (M). Relations between these two parties had improved and the existence of a common stand on major issues had become more evident. But these relations were still far from adequate to meet the demands of the present crisis.

The Council pointed out that the Congress in future would not be able to rule single-handed at the Centre. The search for allies had already begun. Some of the known extreme Rightist leaders were searching for a combination of extreme Right elements. The factional-cum-political struggle inside the Congress leadership was being intensified, leading to further disintegration of the organization.

The Council regretted that the Government had failed to play any effective role in the efforts to end US aggression in Viet-Nam.

In another resolution, it condemned the "Mao Tse-tung leadership for provoking an armed clash on the Sino-Soviet border" and welcomed the Russian offer to the Chinese to settle the border dispute by peaceful negotiations.

It also re-iterated the urgent need for unity and cohesion in the world Communist movement and of the anti-imperialist forces. In its view, the present events were a continuation of the "entire policy of narrow nationalism and chauvinism pursued by the Mao Tse-tung leadership" during the past several years under the cover of ultra-revolutionary slogans.

By fanning anti-Soviet "hysteria and chauvinistic frenzy" the Maoists were trying to "create an atmosphere to enable them to cover up the disastrous results of the Cultural Revolution and to eliminate their opponents inside the Chinese party".

The resolution also accused the Mao Tse-tung leadership of "furthering its disruptive activities" in the international Communist movement and of "sowing distrust" of the Soviet Union and the CPSU among fraternal parties and of hampering the successful convocation of the World Communist Conference.

[The World Communist Conference, the first since the 1960 conference of 81 parties, is scheduled to be held in Moscow from June 5. It will be preceded by the final meeting of the preparatory committee set up at Budapest early last year to approve the documents for the Conference. India is one of the eight members of the preparatory committee. The other seven are Communist Parties of Soviet Union, Hungary, USA, France, Italy, Sudan and Uruguay.]

(**The Statesman** and **The Times of India**, New Delhi)

[Prev. ref. 8212:INI:E, 8796:INI:R]

G. **CPI (M) Central Committee Against Communist Unity—Resolutions:** At the end of a five-day session in Calcutta on April 19, the Central Committee of the Communist Party of India (Marxist) rejected all "talk of unprincipled communist unity" because the basic reasons and causes that led to the split in the once united Communist Party remained valid and operative.

It strongly criticised the CPI for being "highly disruptive in every move and action" and declared that the CPI(M) could not be "misled by the glib talk of communist unity" since what divided the two communist parties was the difference between Marxism-Leninism and revisionism.

It said the Right Communists in West Bengal, like their Kerala counterparts, were not missing one single opportunity to range against the CPI(M) in alliance with one or the other political force in the State and were "slandering" the CPI(M) and its policies. The CPI was projecting much more vociferously the slogans of Left unity and communist unity because of the pressure of its rank and file and mass following in the face of the fiasco of the its policies as reflected in the mid-term election reverses in Uttar Pradesh, Bihar and Punjab..

The Central Committee held that the different groups and factions in the Congress were feverishly attempting to give a policy-colouring to their inner party conflicts, while in reality none of them squarely stood for the reversal of the pro-landlord, pro-big bourgeois and pro-foreign monopoly policies of the Congress Party and for the adoption of alternative democratic policies.

Another resolution stated that all Concurrent List subjects should be transferred to the State List. All the Bills passed by the States in favour of the people in the present State and Concurrent Lists should be given assent to by the President.

It said the States should have more constitutional powers to augment their resources pending which 75 per cent of Central Revenues should be transferred to the States. All Centrally-managed agricultural, industrial and educational, social and welfare departments and enterprises should be handed over to the States for management.

It demanded that the Industrial Security Forces, Central Reserve Police and Border Security Forces should be handed over to the States, and it was for the States to keep law and order in all sectors and enterprises. It also wanted handing over of the present IAS, ICS and other All-India Services to the States. Their recruitment, service conditions and disciplinary proceedings should all be under State jurisdiction.

(**The Times of India** and **The Statesman,** New Delhi)

[Prev. ref. 8769:INI:L]

H. **Tamil Nadu (Madras) Budget:** Tamil Nadu's Budget for 1969-70, presented to the State Assembly in Madras on March 1 by the new Finance Minister, Mr. K. A. Mathiazhagan, showed a deficit of Rs. 16.71 crores.

This was left uncovered since it was due entirely to non-Plan commitments which, according to Mr. Mathiazhagan would be taken note of by the Fifth Finance Commission.

Mr. Mathiazhagan said that the total revenue deficit attributable to the non-Plan side was Rs. 20.11 crores and expressed the hope that following the practice of the earlier Finance Commissions, the Fifth Finance Commission would, through devolution of Central taxes and grants under Article 275 of the Constitution, make available additional resources for covering fully the non-Plan deficit. Provision of additional assistance for bridging the gap in the State Budget on non-Plan account should be the first charge on the Central resources.

He said: "The Budget estimates, taking into account the revenue capital loan and public account, also reveal an overall deficit of Rs. 19.52 crores. But this deficit is only a reflection of the substantial non-Plan revenue deficit which, as we have argued, should be fully met in the final award of the Finance Commission. We have, therefore, left the deficit uncovered."

Revenue estimates for the year would amount to Rs. 268.66 crores, including Rs. 5.60 crores to be mobilized by the State on the basis of the additional taxation target set by the Planning Commission for the Fourth Plan period. Expenditure on revenue account was estimated at Rs. 285.37 crores, revealing a deficit of Rs. 16.71 crores. This deficit had been left uncovered.

Some efforts at mobilization of resources for the Plan, he said, were necessary and the Government would place proposals for this purpose before the House "in due course."

He added: "It is hoped these resources could in part be secured through rural debentures—a new instrument for mobilization of savings in rural areas. To the extent they were able to raise some resources through rural debentures, the need for taxation would be less."

(**The Hindu,** Madras)

[Prev. ref 8241:INI:P]

I. Uttar Pradesh Budget—(Vote On Account): The Uttar Pradesh Budget for 1969-70 shows a deficit of over Rs. 43 crores.

The Budget was presented to the State Assembly on March 24 by the Finance Minister, Mr. Laxmi Raman Acharya and in the Legislative Council by the Co-operation Minister, Mr. Laxmi Shanker Yadav.

Estimated revenue receipts were Rs. 360.43 crores and revenue expenditure Rs. 403.51 crores.

However, the net overall deficit would be Rs. 35.62 crores after withdrawal from the State's reserves.

Immediately after presenting the Budget, the Finance Minister brought forward a Vote on Account for 1969-70 demanding a sum of more than Rs. 257 crores to meet the gross expenditure to be incurred in the next five months.

In his Budget speech, Mr. Acharya assured the House that the State Government would ensure that in raising resources, "lesser burden" fell on the poorer sections.

He said that the State had appealed to the Government of India for increased devolution. He earnestly hoped that the final award of the Fifth Finance Commission would not only cover the non-Plan revenue deficit but also provide for adequate additional grant-in-aid to enable the State to pull itself out of its present backwardness.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8272:INI:R]

J. West Bengal Legislature—Governor's Address: In his address to the joint session of the West Bengal Legislature in Calcutta on March 6, the Governor, Mr. Dharma Vira, omitted two paragraphs of the speech prepared by the United Front Cabinet which described the dismissal of the United Front Ministry in 1967 as "peremptory and unconstitutional."

As the Governor skipped these two paragraphs, the Chief Minister, Mr. Ajoy Mukherjee, pointed out to Mr. Dharma Vira that he was omitting certain passages from the speech prepared by the Council of Ministers. The Governor replied that he had already informed Mr. Mukherjee that he could not read those portions.

A large number of UF members immediately rose in their seats and shouted that the Governor must read those portions. They calmed down when the Chief Minister asked them not to "disturb" the Governor and to allow him to continue.

Despite a notice circulated by the Secretary of the Legislature reminding all members that they should stand when the Governor entered and left the Assembly Chamber, none of the United Front members did so.

The omission by the Governor of two paragraphs of the Address prepared by the Cabinet was later noted in the Motion of Thanks which were moved by the Government side when the two Houses met separately.

The Motion sought to thank the Governor for the Address, "though he has unlawfully omitted" that part of the speech approved by the Council of Ministers.

In the Assembly, the Leader of the Opposition, Mr. Siddhartha Shankar Ray (Congress) maintained that the Motion was out of order as under the rules, the Motion of Thanks must be put in an absolute form without any qualification or condition. Moreover, he said, portions omitted by the Governor were unconstitutional and any Motion supporting those portions should also become unconstitutional.

The Speaker, Mr. Bijoy Kumar Banerjee, ruled that **prima facie** the Motion of Thanks was in order.

A similar objection was raised by the Congress Party in the Council also, but the Deputy Chairman, Mr. U. N. Burman, declared that the motion was **prima facie** in order.

In his Address, the Governor touched on an issue "which has of late assumed very great importance for all the States, particularly for States where Governments have been formed by political parties other than the ruling party at the Centre."

He said that in the changed circumstances of today, possibly not quite foreseen by the framers of the Constitution, the re-alignment of forces and conflicting political considerations had been imposing considerable strain on the Centre's relationship with the States. The States found themselves severely and unfairly handicapped in fulfilling their multifarious commitments to the people because of their frustratingly limited constitutional, legal and financial powers.

He said: "My new Government is most emphatically of the view that the new political, social and economic environment of the country immediately demands a more rational, realistic and equitable re-adjustment of powers between the Centre and the States in the interests of national integrity and of the maximum good to the people we serve."

Expressing concern at the climate of industrial relations and employment situation in the State, the Governor gave certain figures to show "to what extent the faulty economic and fiscal policies pursued for years together by the Centre had led to a serious deterioration in the field of industrial relations." The resulting tensions in management-labour relations were not at all difficult to understand.

The State Government was extremely unhappy with the "truncated" draft Fourth Plan proposed for the State by the Planning Commission with a total outlay of only Rs. 320 crores. "My Ministers intend to take up the question afresh with the Central Government authorities before the next meeting of the National Development Council finalizes the Plan allocations."

Mr. Dharma Vira's Statement:

The West Bengal Governor, Mr. Dharma Vira, told newsmen in Calcutta on March 7 that conventions were not broken by the omission of certain portions of his speech at the opening session of the West Bengal Legislature.

He added that if it was obligatory on his part to read the speech, the Council of Ministers also had an obligation not to introduce anything which was derogatory to him and made it impossible for him to read it in full. He had earlier written to the Chief Minister intimating him that he could not read two paragraphs of the speech. He was again requested by the Council of Ministers to read the speech in its entirety. "I thought over it once again and felt I could not read these portions. The cause of summoning the Legislature was to give an account of the progress and the policy of the Government. I have not changed even a comma or a full-stop from the speech except omitting these two paragraphs."

Mr. Dharma Vira referred to the judicial decision on the dismissal of the United Front Ministry in the past and wondered how he, as the head of the State as also of the judiciary, could say anything against it.

Election Of Speaker:

Mr. Bijoy Kumar Banerjee was earlier re-elected Speaker of the West Bengal Legislative Assembly without any contest on March 6.

The United Front nominee, Mr. Apurba Lal Mazumdar (Forward Block) was elected Deputy Speaker.

(**The Statesman**, Calcutta and **The Times of India**, Bombay)

[Prev. ref. 8210:INI:C, 8815:INI:A]

K. West Bengal **Budget—(Vote On Account)**: Presenting the West Bengal Budget (Vote on Account) for 1969-70 to the State Assembly in Calcutta on March 10, the Chief Minister, Mr. Ajoy Mukherjee (who also holds the Finance portfolio), said that while the United Front Government would carry out all the reforms possible within the limitations of the Constitution, it would "put pressure in a relentless manner" on the Central Government for modifications of the economic system and planning for alleviating the sufferings of the people.

The Budget revealed a deficit of Rs. 35.36 crores, including the negative opening balance of Rs. 22.64 crores. The revenue deficit was estimated at Rs. 19.78 crores, but as there would be a surplus of Rs. 7.06 crores outside the revenue account, the overall deficit would be reduced to Rs. 12.72 crores.

Revenue receipts for the year were placed at Rs. 234.77 crores and revenue expenditure at Rs. 254.56 crores. The total provision for capital expenditure was Rs. 28.99 crores as against Rs. 27.69 crores in the revised estimates.

The revised estimates for revenue receipts and expenditure were Rs. 222.93 crores and Rs. 257.63 crores, respectively.

The Budget did not contain any tax proposals. If the Government decided to impose any taxes, it would do so when the regular Budget was presented.

Mr. Mukherjee, however, said the scope for additional taxation in West Bengal was "very much limited" as it would be difficult to impose heavier tax burdens on the people, particularly when the **per capita** taxation in the State was already "near about the highest" in the country.

(**The Statesman**, Calcutta)

[Prev. ref. 7846:INI:R, 8851:INI:N]

L. **West Bengal Legislative Council Abolition:** The West Bengal Assembly unanimously adopted a resolution on March 21 urging the abolition of the Legislative Council. The resolution was moved by the Minister for Parliamentary Affairs, Mr. Jatin Chakravarty.

Supporting the resolution in principle, the Leader of the Opposition, Mr. Siddhartha Shankar Ray, threw a challenge to the Government that to prove their political integrity six of the Ministers, who were either members of the Council or were likely to become so, should immediately resign.

The Upper Chamber, according to Mr. Chakravarty, was "unnecessary and an expensive luxury", which a State such as West Bengal could not afford. From Rs. 1,13,000 in 1952-53 the expenditure on this account had risen to Rs. 5,43,600 in 1968-69. Whatever might have been the reasons for introducing the Upper Chamber, in practice it had only helped the Congress to serve its party interests.

(**The Statesman**, Calcutta)

[Prev. ref. 8851:INI:N]

M. **More DA For West Bengal State Employees:** The West Bengal Cabinet decided on March 27 to grant dearness allowance at current Central Government rates to about 2,00,000 State Government employees with effect from April 1.

It also decided to increase, correspondingly, the rates of dearness allowance to teachers and non-teaching staff of non-Government schools and colleges.

This will involve an additional expenditure of Rs. 9 crores annually.

(**The Statesman**, Calcutta)

[Prev. ref. 8556:INI:M]

N. **New All-India Services Given Up:** A Central Home Ministry document available on March 27 said that the Government of India had given up its plans to create two Central Services, covering agricultural experts and educationists.

This followed opposition from State Governments, particularly non-Congress administrations, because of their fear of Central intrusion in their spheres of authority.

A Home Ministry document summed up the position thus: "The State Governments had agreed to the creation of two more All-India Services, namely, the Indian Educational Service and the Indian Agricultural Service. The resolution under Article 312 (1) of the Constitution had also been adopted by the Rajya Sabha, but the Bill to amend the All-India Services Act, which was introduced in the third Lok Sabha, lapsed with its dissolution.

"After the 1967 General Elections, a few State Governments modified their stand on the formation of All-India Services in general and some State Governments, on further consideration, did not agree to participate in the Indian Educational Service. The formation of these two Services was, therefore, reviewed in the light of the changed situation. It has been decided that, for the present, the All-India Services Act need not be amended further. Accordingly, steps are not being taken for the creation of the Indian Agricultural and the Indian Education Service. Orders to constitute the Indian Medical and Health Services with effect from February 1, 1969 have been issued and the recruitment rules and other regulations have been finalised in consultation with the State Governments and the Union Public Service Commission."

(**The Statesman**, New Delhi)

[Prev. ref. 8377:INI:W]

O. **Cases Pending In High Courts:** According to the Central Home Minister, Mr. Y. B. Chavan's statement in Rajya Sabha on February 26, more than 22,000 cases had accumulated in the various High Courts of India during the 12 months ended December 31, 1968, the total number of cases pending before these courts being 3,56,978.

At the end of 1967, 3,34,629 cases were pending before the High Courts in the country. At the end of 1968, the arrears had increased to 3,56,978, showing a further accumulation of 22,349 cases during 1968.

The number of cases pending before the Supreme Court was 5,387.

The largest number of pending cases was before the Allahabad High Court (62,461) with the Calcutta High Court coming next (61,541).

The number of cases pending before the other High Courts were: Andhra Pradesh—22,515, Assam and Nagaland—3,061, Bombay—32,785, Delhi—17,865, Gujarat—15,955, Jammu and Kashmir (as on July 1, 1968)—1,179, Kerala—29,563, Madhya Pradesh—12,739, Madras—34,157, Mysore—13,932, Orissa—7,978, Patna—11,100, Punjab and Haryana—20,749, and Rajasthan—9,328.

Mr. Chavan said that the authorities in the States had been *advised to take the following measures:*

(1) The strength of judges in each High Court should be increased in the extent considered necessary.

(2) Vacancies in the High Courts should be filled without delay.

(3) Whenever a serving judge was given other duties and he was not likely to come back to the High Court concerned within six months, an additional or **ad hoc** judge should be appointed in his place so that the work of the High Court did not suffer.

(The Times of India, New Delhi)

P. Drive To Eradicate Untouchability—Committee's Recommendations To Parliament: A number of suggestions for a concerted and co-ordinated drive by official and non-official agencies to eradicate untouchability were made by the Committee on "Untouchability and Economic and Educational Development of the Scheduled Castes" in its report presented to the Lok Sabha on April 10.

The Committee suggested that the existing law against untouchability should be made more stringent by providing for a mandatory minimum prison sentence.

There must also be a clear-cut policy enunciation for social reconstruction of Hindu society. A social policy resolution should be formulated and the frame-work of social institutions remoulded.

The Committee, appointed by the Government of India in 1965, was headed by Mr. I Elayaperumal, then a member of the Lok Sabha.

It suggested that, as a means to eradicating untouchability, hereditary priesthood in Hindu society should be abolished.

"It can be achieved even without legislation." It may be replaced by an ecclesiastical organization of men possessing the requisite educational qualifications and having received training in recognized institutions of priesthood. It should be open to anybody regardless of caste and creed to join this organization.

It suggested that the Government should stop financial aid and loans to those practising untouchability. There should also be a comprehensive scheme for encouraging inter-caste marriages.

It noted that no adequate action had been taken by the authorities at various levels to enforce the law against untouchability. Many Government officials interviewed by the Committee had no knowledge of the provisions of the Untouchability (Offences) Act, 1955, and its copies were not available at many district headquarters.

After giving numerous instances of how untouchability was still practised with impunity in various parts of the country, the Committee pointed out that Scheduled Castes people were greatly handicapped—due to their own social and economic backwardness as well as official apathy—in fighting against the social tyranny of the upper castes even though the law was in their (the Scheduled Castes') favour.

Dealing with economic development of the Scheduled Castes, the Committee recommended that Scheduled Castes should get the first preference in the allotment of Government wasteland, surplus land taken over by the Government as a result of enforcement of land ceiling enactments and **Bhoodan** land (the present policy, according to the report, gave the first preference to those whose land had been acquired for some public purpose).

All State Governments and Union Territory Administrations, the Committee recommended, should take legislative and exactive measures for conferring ownership rights on Scheduled Castes in respect of their homestead land.

Some other suggestions of the Committee were: There should be a Backward Classes Finance Corporation in every State and Union Territory to give a boost to cottage industries; forced or bonded labour should be declared a punishable offence; more funds should be allocated to the backward classes sector in the Fourth Plan; and benefits in the educational and economic fields, admissible to Scheduled Castes, should continue to be available to them even after conversion to some other religion.

In the part on education, the Committee called for liberal scholarships, hostel facilities and special coaching facilities for Scheduled Castes students.

It noted that the representation of the Scheduled Castes in various services was short of the numbers reserved for them. This position, it said, should be rectified.

(The Times of India, New Delhi)

[Prev. ref. 7211:INI:M]

Q. Jallianwala Bagh Massacre's **50th Anniversary:** Ceremonies were held in various parts of the country on April 13 to commemorate the 50th anniversary of the Jallianwala Bagh massacre on April 13, 1919 which turned the tide of Indian history.

The main function was held near Amritsar at Jallianwala Bagh—the very spot where over 400 people lost their lives on that fateful day when Brig.-Gen. Sir Michael O'Dyer ordered his men to open fire.

Over 5,000 people, who had assembled at the spot, observed two minutes' silence in memory of the martyrs.

Addressing the gathering, the Prime Minister, Mrs. Indira Gandhi, appealed to the people to strengthen unity for preserving their hard-won freedom.

She said that by paying homage to the martyrs of Jallianwala Bagh "we are paying homage to people all over the world who sacrificed their lives for the maintenance of human values." The Jallianwala Bagh tragedy had awakened the nation and made it fearless. The massacre led to a wave of resentment all over the country. A young man, Udham Singh, had subsequently shot dead Sir Michael O'Dwyer, who was Lieut-Governor of Punjab during the Jallianwala Bagh tragedy.

Mrs. Gandhi honoured the seven survivors of the massacre, now in their seventies, with a shawl and a purse of Rs. 5,000 each. The survivors were Mr. Manak Chand, a retired district nazir, Pandit Daulat Ram Vashisht, manager of a bank, Mr. Asa Ram, Mr. Panna Lal, Mr. Deva Singh, Mr. Maharaj Kishen and Mr. Ghuggi Mal.

Mrs. Gandhi laid a wreath at the base of the 45-foot-high memorial. Wreaths were also laid on behalf of the President, Dr. Zakir Husain, and the Vice-President, Mr. V. V. Giri. Among others who laid wreaths were the Governor of Punjab, Dr. D. C. Pavate, the Governor of Rajasthan, Mr. Hukam Singh, the Punjab Chief Minister, Mr. Gurnam Singh, the Defence Minister, Sardar Swaran Singh, and the Central Minister for Communications, Mr. Satyanarain Sinha.

Mrs. Gandhi also formally released a commemorative stamp and inaugurated an exhibition of photographs, paintings and charts dealing with the Jallianwala Bagh tragedy and the freedom struggle.

(**The Times of India,** New Delhi)

R. Earthquake: Bombay, Panaji, Poona, Aurangabad, Hyderabad, Nagpur, Vijayawada and Bangalore were among the places rocked on April 13 in peninsular India by earth tremors of moderate to mild intensity.

The tremors lasted two to five seconds.

The Colaba Observatory in Bombay recorded an earthquake shock of moderate intensity with its epicentre at a distance of 800 km from Bombay.

There were more intermittent shocks in the same areas later.

(**The Times of India,** Bombay)

[Prev. ref. 8109:INI:A]

INDONESIA

A. **Technical Co-operation Agreement With Belgium:** An Agreement on technical co-operation between Indonesia and Belgium was recently initiated at the Foreign Department in Djakarta by Mr. Ismail Thajeb, Director-General for Foreign Economic Relations and the Belgian Ambassador, Mr. Michel van Ussel.

The Agreement would be the basis for technical co-operation between Indonesia and Belgium.

Belgium would extend aid to Indonesia by sending experts, equipment and capital goods.

The Belgian Government had made a survey of various institutes and had talks on various projects like rehabilitation and expansion of the geophysical laboratory in Bogor. A survey had been made also of the slaughter-house in Surabaya.

(Antara)

[Prev. ref. 8741:INI:D]

B. **Development Bank Set Up In Holland:** A Development Bank was set up in Amsterdam to step up the foreign-currency earnings of small and medium industry in Indonesia.

Founded by the Dutch Overseas Financing Company (NOF) as a trustee of the Dutch State and the Indonesian Overseas Bank (Indover), a subsidiary of the Indonesian Central Bank, the new Development Bank has an initial capital of 10 million guilders.

The founders said that interested parties from third countries were free to join on an equal basis.

The new Bank aims at multilateral co-operation in the granting of long-term and medium term development credits.

(Antara)

[Prev. ref. 8287:IND:A, 8387:IND.A]

IRAN

A. **New Land Ownership Law:** A new law recently approved by Parliament and described as the "final blow to feudalism" will enable more than one million farmers to own the land they cultivate.

The new law converts 1,121,473 tenant farmers into owners. Taking into account the farmers' families, some six million people should benefit from the law throughout the country.

It is a major step forward in the land reform programme launched in 1962 by Shah Mohammed Reza Pahlevi. The programme intends to free peasants from centuries of serfdom under the domination of wealthy landlords.

These new owners must repay for the land in equal instalments over a 12-year period. Each instalment will be equal to the amount they have paid annually to the landlord for renting his land.

(Tehran Radio)

[Prev. ref. 6262:IRN:F]

IRAQ

A. **Four Men Hanged For Spying:** Four men were hanged in Baghdad's central prison on April 13 for spying for USA. The four men were sentenced to death by Iraq's revolutionary court.

The executions brought to 26 the number of men hanged in Iraq during the past three months after being convicted by the court.

Fourteen men were hanged on January 27 and another eight on February 20 for spying for Israel.

Four of the men hanged came from Basra and one made important confessions before being executed.

(Baghdad Radio)

[Prev. ref. 8864:IRQ:A]

NEPAL

A. **Mr. S. B. Thapa Resigns—New Ministry:** The Prime Minister, Mr. Surya Bahadur Thapa, submitted his resignation to King Mahendra on April 2.

In an announcement over **Radio Nepal,** he said: "I am submitting my resignation to enable King Mahendra to constitute a new Cabinet. I have been in Government for long, and I am submitting my resignation so that there can be a change which is essential to promote democratic practices.

"We should always keep in view the circumstance and political changes in countries in our neighbourhood. If we do not note what all happens around us, we will be placed far off from democracy.

"To strengthen democracy and to give a chance to others, I am resigning from Prime Ministership. I am thankful to all my colleagues for their co-operation during my term in office."

Mr. Surya Bahadur Thapa took over as Prime Minister in January, 1967. Prior to that, he was Chairman of the Council of Ministers for about 2½ years.

On April 7, King Mahendra installed in office a new Cabinet headed by Mr. Kirtinidhi Bisht.

The 16-man Ministry, announced by the Palace Secretariat, comprised, seven Cabinet Ministers, four Ministers of State and five Assistant Ministers.

Mr. Surendra Bahadur Basnet, Minister for Finance, Industry and Commerce in the previous Cabinet, was dropped while other four Ministers were retained. Two Ministers of State in the last Ministry were promoted to Cabinet rank.

Mr. Khadga Bahadur Singh, No. 2 in the Cabinet who superseded the Defence Minister, Mr. G. P. Budhathoki, was dropped in Cabinet re-constitution of August, 1966. A staunch royalist, he was nominated by the King as a member of the Raj Sabha (Council of State).

Two Ministers of State in the outgoing Ministry—Mr. Navraj Subedi and Mr. Basudev Dhungana—were promoted to Cabinet rank.

The King dropped esven Ministers of State of the previous Ministry.

The four Ministers of State are new entrants. They are: Mr. Gunjeshwari Prasad Singh (who was dropped in the Cabinet re-constitution of September, 1968, Mr. Hom Bahadur Shrestha, a Kiratnagar landlord, Mr. Bindeshwari Prasad Singh and Mr. Lal Bahadur Kharawat.

The Assistant Ministers are also new faces. They are Mr. K. B. Gurung, Mr. H. C. Mahat, Mr. D.S. Rai, Mr. B. M. Dewan and Mr. Dip Bahadur Khadka.

Mr. Bisht, who succeeded Mr. Thapa, was a Minister with Cabinet rank in different Ministries which occupied office between April, 1963 and September, 1968.

He was dropped by Mr. Thapa in the Cabinet re-constitution ordered by the King in the last week of September, 1968. At that time, Mr. Bisht was away at the UN leading Nepal's delegation to the General Assembly session.

As conceded by Mr. Thapa, there have been two views in the National Panchayat over the question of release of detenus. Mr. Bisht and Mr. Devkota, former Agriculture Minister, had come to be associated in public mind with the school opposed to liberalization. (Both, however, have said that they welcomed the release of detenus).

Mr. Bisht was Minister-in-waiting during the three months when King Mahendra was convalescing in West Nepal Terai after a heart attack last Summer. He was considered to have won the confidence of the King after his stay in the convalescence camp.

Dropped from the Ministry during his absence, Mr. Bisht returned home last Autumn and continued to serve as a member of the National Panchayat.

On November 17, 1968, Mr. Bisht and Mr. Devkota issued a joint statement which set forth for the first time their differences with Mr. Thapa. They ridiculed Mr. Thapa's claim to introduction of liberalist trends in official policy.

The statement said that there was no scope for differences arising under a party-less system working under the guidance of the King. They were obviously referring to the Prime Minister's statement that two schools of thought had emerged in the National Panchayat.

They blamed Mr. Thapa for showing scant regard to ideals of the panchayat system resulting in lack of enthusiasm and confusion in Nepalese society.

The statement did not give Mr. Thapa credit for releasing political detenus in October, 1968 and described the release as a routine administrative job.

As Foreign Minister, Mr. Bisht has paid two visits to Peking in recent years. His statement in China early in 1968 praising the working of Chinese communes produced widespread astonishment at home.

The new Prime Minister is closely related to the family of the Royal Priest of Nepal. He was initiated into politics by Mr. D. R. Regmi, Nepali National Congress Leader.

The portfolios of the Ministers are:

Mr. K. N. Bisht (Prime Minister): Finance, General Administration and Palace Affairs.

Mr. Khadga Bahadur Singh: Home, Panchayat, Land Reforms, Food and Agriculture.

Mr. G. P. Budhathoki: Defence and Forests.

Mr. G. B. Rajbhandari: Foreign Affairs, Information and Broadcasting.

Mr. Rudraprasad Giri: Transport, Communication, Water Resources and Power.

Mr. Navraj Subedi: Commerce and Industry.

Mr. Basudev Dhungana: Education, Law and Justice.

Mr. Gunjeshwari Prasad Singh: Health, Information and Broadcasting,

Mr. Hom Bahadur Shreshta: Transport and Communication.

Mr. Bindeshwari Prasad Singh: General Administration.

Mr. Lal Bahadur Kharayat: Land Reforms, Agriculture and Food.

Assistant Ministers:

Mr. Khadga Bahadur Gurung: Land Reforms.

Mr. Harishchandra Mahat: Food and Agriculture.

Mr. Dillise Rai: Home and Panchayat.

Mr. Bhaktiman Dewan: Land Reforms.

Mr. Dip Bahadur Khadka: Law and Justice.

Mr. K. Bisht On His Policies:

In a broadcast to the nation on April 9, the Prime Minister, Mr. Kirtinidhi Bisht, said that special efforts would be made by his Ministry to promote friendly relations with neighbouring countries and declared: "This friendship has helped us gain international prestige."

He outlined the political, economic and social programmes which his Ministry proposed to implement and said that the Government would ever remain alert against elements trying to disturb peace and security.

Speaking of the Ministry's economic plans, he said that the Government would strive for effective utilization of man-power as it felt that the nation's natural resources should be harnessed in full measure. Implementation of land reforms programme would be given high priority.

About foreign policy, he said: "We cannot visualize any policy other than that of co-existence which is most useful for world peace in a world divided by different political and economic systems."

(**The Times of India,** Bombay and New Delhi)

[Prev. ref. 7791:NEP:A]

TURKEY

A. Earthquake: At least 53 people were killed in an earthquake in Alasehir area of Western Turkey on March 28.

Two thousand houses collapsed and the Red Crescent—Muslim equivalent of the Red Cross— rushed in 2,000 tents, 10 tons of food and a mobile hospital.

In August, 1968, more than 200 people were killed in a series of earthquakes in Adapazari, northwest Turkey, and in Tunceil, in the eastern part of the country.

Alasehir, founded in the first millennium B.C., has a long history of earthquake destruction, notably in 17 A.D. when it was completely destroyed and rebuilt by the Emperor Tiberius. In classical times it was known as Philadelphia.

(**The Times,** London)

[Prev. ref. 8541:TUR:A]

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ISRAEL

A. West Asia Issue—More Fighting: In West Asia, sporadic fighting continued between Israeli forces on the one side and Egyptian, Jordanian, Syrian and El Fatah guerrillas, some minor and some serious.

According to reports from Cairo, Egyptian and Israeli forces fought machine-gun and small arms duels across the Suez Canal on March 6 in the latest of a series of incidents on the cease-fire line.

An Egyptian military **communique** said that the Israelis began the firing which continued intermittently for hours.

The Egyptian report of firing across the blocked Canal was the fifth in the past ten days.

According to Tel Aviv sources, Egyptian troops opened a heavy artillery barrage against Israeli positions across the Suez Canal along a wide front from El Kantara in the north to Suez town in the south, on March 8.

According to **Cairo Radio,** Israeli artillery opened fire on the Egyptian town of Ismailia on the Suez Canal.

Earlier (on March 8), four UAR MIG-21s flew over Israeli air-space over the Sinai desert and were intercepted by Israeli fighters.

The artillery battle between Israel and UAR raged along the entire length of the Suez Canal.

Israeli forces also shelled petroleum installations in Suez.

A UAR military **communique** said that one UAR fighter plane was lost in the dog-fight, but claimed that one Israeli plane was shot down.

Firing broke out again for the second consecutive day on March 9 along the length of the Suez Canal, an Israeli military announcement said.

The fighting, which raged in the same area for five hours on March 8, was resumed ater a lull of some 13 hours following a cease-fire negotiated by the UN military observers.

An Israeli military spokesman accused the UAR forces of starting the duel.

Though the Suez Canal zone was quiet, smoke was still rising from two parts of Suez refinery which was hit by Israeli bombers. Two oil refineries were damaged and three reservoirs destroyed during the previous day's five-hour Suez Canal zone artillery barrage. Three thousand tons of oil blazed and two other reservoirs were hit during the duel. Damage was estimated at hundreds of thousands of dollars.

The Israeli Government sent a letter to the UN Security Council President protesting against the "new Egyptian aggression" in the Suez Canal area. Each side accused the other of starting the firing.

The Chief of Staff of the UAR Armed Forces, Lt-Gen Abdul Moneim Riad, was killed in the artillery duel with Israel across the Suez Canal on March 9.

The **Middle East News Agency,** quoting a statement from the Presidency of the Republic, said that General Riad was killed by "an enemy artillery shell."

The appointment of Maj.-Gen. Ahmed Ismail Aly as the new Egyptian armed forces Chief of Staff was announced on March 13.

Fighting broke out between Israeli and UAR forces across the Suez Canal in the region of Port Tewfik on March 11 and again on March 13.

Israelis and Egyptians used rockets, artillery, mortars and light weapons.

An Israeli army spokesman said the Egyptians opened fire all along the Canal.

An Amman report said that two Jordanian civilians were killed and nine others wounded, five seriously, in an Israeli air attack on Jordanian positions on March 14.

Four Israeli Mystere fighters raided some areas, which included Al-Zamaliya, Northern Shuneh and Waggas, and straffed them with rockets.

In addition to those killed or wounded, two civilian cars were destroyed. Five other cars, a tractor and some plantations were also damaged.

Northern Shuneh is about seven miles, Waggas about six miles, and Al-Zamaliya about 7½ miles south of the Sea of Galilee.

A Tel Aviv report said that Israeli planes bombed and strafed positions of the El Fatah groups in Jordan territory on March 14. The bombings were directed at Arab commando positions opposite the area south of the Beisan Valley.

Israel's Permanent Representative to UN, Mr. Yosef Tekoah, informed the President of the Security Council that UAR forces had launched a major attack against Israel in the Suez Canal sector "in flagrant violation of the cease-fire."

Jordan also lodged a complaint with United Nations.

On March 16, Israeli war planes struck at Jordan again, killing three civilians in rocket, napalm and machine-gun attacks on Amman and two other places. Seven people, including two Jordanian soldiers, were wounded.

The area hardest hit appeared to be near Jerash, 30 miles north of Amman, where two civilians were reported killed and six people wounded, including two soldiers.

Next day (March 17), Israeli jet planes struck at suspected Arab guerrilla posts in Jordan for the second successive day. A Jordanian military spokesman said in Amman that four planes took part in the raids, attacking with rockets, napalm bombs and machine-guns.

A UAR Army **communique** said that fresh fighting flared up along the Suez Canal on March 18 when Israeli soldiers in mobile tanks opened fire on the ports of Tewfik and Suez at the Red Sea end of the Suez Canal.

An Israeli report, however, said that Egyptian guns had shelled Israeli positions across the Suez Canal, slightly wounding one soldier. The Israelis returned the fire in an attempt to silence the Egyptian positions.

Israeli aircraft bombed positions held by Palestinian commandos on March 19 after a mortar attack from Jordanian territory against Kibbutzs in the Beisan Valley area.

Bazooka shells were fired on an Israeli police border patrol from Jordanian territory early on March 20.

On March 21, Jordanian forces shot down one of the two Israeli Mystere fighters which raided parts of Jordan. The pilot of the plane was also killed. The planes were raiding the south Jordan valley.

On March 24, Egyptian forces claimed that they destroyed nine Israeli tanks in an artillery duel across the Suez Canal.

An earlier military **communique** said Israeli forces on the eastern bank of the Suez Canal opened fire twice on Egyptian positions from a moving tank, but there was no damage to the Egyptian side.

Also on March 24, Jordanian and Israeli forces exchanged sporadic medium machine-gun fire for more than an hour in the northern Jordan Valley.

On March 26, about 18 civilians died and 25 were injured when Israeli jets raided a locality near the town of Salt in the Jordan valley.

Four Israeli jets raided the area of Ain Nizzir, west of Amman. They used bombs and rockets.

Cairo Radio claimed on April 4 that UAR forces had shot down an Israeli helicopter in the fighting which flared up along the Suez Canal. (Israel, however, refuted the claim).

An Egyptian army **communique** said that many Israelis were killed and wounded and six observation posts and two artillery positions destroyed in the gun battle. An administrative centre was also destroyed.

Meanwhile, in Tel Aviv, Israeli military sources claimed that Egyptian frontline positions were badly hit during a two-hour artillery duel in the southern sector of the Suez Canal on April 4.

An Israeli Army spokesman said that mortar fire was opened on an Israeli settlement from across the cease-fire line with Jordan on April 7.

He said that a number of mortar bombs were fired from the Jordanian side in the Maoz Haim region in the Beth Shean valley. The Israeli forces returned the fire. One member of the Maoz Haim settlement was slightly wounded.

On April 8, Egyptian and Israeli forces exchanged heavy fire across the Suez Canal for the second time in four days and Israeli jets strafed Jordan's only port of Aqaba for the first time since the war.

An Egyptian military **communique** said that the fighting started near Port Tewfik.

More significant than the Suez Canal exchanges were the commando rocket attacks on the Israeli port of Eilat and the Israeli reprisal in starting a raid on Aqaba—ports within three miles of each other—on April 3.

Aqaba is Jordan's only outlet to the sea and is being developed as a vast holiday resort. Ninety per cent of Israel's oil supplies come from Iran through Eilat.

Several rockets crashed into Eilath—which lies about five miles from Aqaba at the head of the Gulf—at intervals of five to 10 minutes. Most of the rockets, however, exploded in open ground, according to reports reaching Tel Aviv from Eilat. Eight civilians, including a woman and four children, were killed and nine others wounded in the raid.

Israel warned Jordan on April 9 that it could easily blockade its vital Red Sea port of Aqaba in retaliation for the rocket attack on the Israeli port of Eilat on April 8.

Maj-Gen. H. Herzog said that Aqaba was Jordan's only out-let to the sea through which the Arab nation received much of its new military equipment.

He said that the rocket attack on Eilat, which Israeli officials said was launched from Aqaba, shattered a 20-year-old unofficial truce between the two twin cities at the head of the Gulf of Aqaba.

There had been no fighting along the border between the two ports in the June, 1967 six-day war.

President Nasser On Threat Of War: President G. A. Nasser, in an interview published in **The New York Times** on March 3, predicted that unless Israel abandoned every inch of soil occupied during the six-day war of June, 1967 there would be a conflict again in West Asia.

He added that Israel must take the hanging of nine Jews in Iraq on back into her territory those refugees who had left since the State was formed in 1948 and who wished to return. "This is the main problem—the right of the Palestinians in their own land. They lived there for thousands of years and now they are expelled. Without fulfilment of such claims, this problem will continue for tens of years."

He estimated that there were more than one million Palestinian Arab refugees—Muslims and Christians.

Mr. C. L. Sulzberger, who interviewed President Nasser, reported that he gave the impression that he did not expect Israel to accept a political solution on the terms he suggested and that, therefore, a solution must be found by other means. "One could not accept occupation of his country by aggressive armed force. One has to fight."

Mr. Nasser expressed readiness to resume diplomatic relations with the United States—which he severed in June, 1967—but made it clear that serious difficulties existed, since the United States was selling **Phantom** jet fighters to Israel while her forces occupied conquered Egyptian territory.

'This means," he said, "the United States encourages Israel to continue to occupy our territory."

Mr. Nasser said he did not think that Israel had any atomic weapons. But, he warned: "As long as they (the Israelis) don't sign the Nuclear Non-Proliferation Treaty, there is danger. We have signed it. If they tried to build nuclear weapons, we would try to have our own. We have the capacity but what we need is the investment money required for production."

He insisted that Jews in UAR were treated as Egyptians with "all rights" and were free to emigrate if they wished—a statement that is contested by foreign observers.

He reckoned that there were about 5,000 Jews in Egypt, of whom about 100 were under arrest "because they are Zionists and are in contact with Israel." He insisted that in the Gaza Strip—a segment of former Egyptian-held territory in southern Palestine now held by Israel—600 Arabs were in prison for security reasons.

He thought it "silly" to talk of anti-Semitism in the Arab world, because "the Jews are our cousins. Moses was born in Egypt. Don't stress this. Don't want it to be an Israeli claim. They say we are anti-Semitic, which is nonsense. We are Semites ourselves."

He criticized Western reaction to January 27. "It was not hanging of Jews. It was hanging of spies. Some were Moslems, some Arab, some Christian."

Although Soviet naval vessels often visit Egyptian ports, there were none at the moment (March, 1969) and no military bases on his territory had been granted to any foreign country. He asserted that there were probably fewer than 1,000 Russian technicians and training personnel in Egypt—a figure far smaller than that mentioned by some Cairo diplomats—and added: "But I am asking for more."

He said that while USSR had sent in large arms shipments to make up for losses in 1967, UAR had not at this date exceeded its pre-war weapons strength. "That is why we are particularly worried about statements in Western countries that they want to ban arms entering this area. The meaning of an arms ban would be that Israel will have superiority . . . in both Army and Air Force, while we won't get the opportunity to replace what we lost ... this would put Israel in a superior position and encourage it to continue occupation of Arab territories."

Israel's Foreign Minister, Mr. Abba Eban, described President Nasser's interview with Mr. C. L. Sulzberger as a startling rejection of political truth and human values.

Mr. Eban, in a formal reply circulated by the Foreign Ministry, said: "Nasser's interview confirms all the most negative interpretations of UAR (United Arab Republic) policy. Nasser's policy is no peace, no estab- cognition, no negotiation, no estab- lishment of secure and recognized boundaries, no acknowledgment of Israel's sovereignty, no freedom of Israeli navigation in the Suez Canal, no agreement on arms limitation. The entire interview is startling in its rejection of political truth and of human values".

Soviet Plan For West Asia:

The Times (London) published on February 28 the Soviet plan for West Asia which Russian officials had put to the Western Powers early in January, 1969.

It outlined the steps by which the Security Council resolution of November 22, 1967 could be put into effect.

The version of the Soviet proposals which reached **The Times** is as follows:

"Israel and Israel's Arab neighbour-countries who will be ready to take part in the implementation of such a plan shall confirm their agreement with the resolution of the Security Council of November 22, 1967, and shall state their readiness to implement all of its provisions.

"In doing so they agree that by means of contacts through Dr. Jarring a time schedule and procedure for the withdrawal of Israel troops from the territories occupied during the conflict in 1967 will be established, and at the same time an agreed plan or the fulfilment by the parties of the other provisions of the Security Council resolution will be outlined, bearing in mind the establishment of a just and lasting peace in West Asia with which each State in this area can live in security.

"The purpose of these contacts could be agreement upon concrete measures for implementing the said Security Council resolution.

"(1) Agreement shall be reached in simultaneous statements by the Government of Israel and the Governments of Israel's Arab neighbour-countries, who will take part in the implementation of this plan; on their readiness to proceed to a cessation of the state of war between them and to achieve a peaceful settlement after withdrawal of Israel troops from the occupied Arab territories.

"In this connexion, Israel shall state its willingness to start the withdrawal of its troops from the Arab territories occupied as a result of the conflict during the Summer of 1967 on the date specified.

"(2) On the day the withdrawal of Israeli troops begins, carried out by stages under the supervision of UN representatives, the said Arab countries as well as Israel shall deposit with UN the appropriate documents concerning the cessation of the state of war, respect and recognition of the sovereignty, territorial integrity and political independence of each State in this area and their right to live in peace, within secure and recognized boundaries, that is in accordance with the said resolution of the Security Council.

"In accordance with the understanding which shall be reached through Dr. Gunnar Jarring, provisions shall also be agreed upon which concern secure and recognized boundaries (with corresponding maps attached), the safeguarding of freedom of navigation in the international waterways in this area, just settlement of the refugee problem, safeguarding of the teritorial inviobility and political independence of each State in this area (possibly with the aid of measures which include the establishment of demilitarized zones).

"It is intended that this understanding be regarded in accordance with the Security Council resolution as one whole entity, pertaining to all aspects of the settlement in the whole area of the Middle East, as a 'package'.

"(3) During the course of the succeeding month (or as agreed) Israeli troops shall withdraw from a part of the Arab territories to certain intermediate lines on the Sinai peninsula, on the west bank of the Jordan River (as well as from Syrian territory, from the El Kuneitra area).

"On the day when Israeli troops reach the intermediate lines in the peninsula agreed to in advance (for example, 30 to 40 km. from the Suez Canal) the Government of the United Arab Republic will bring troops into the Suez Canal area and zegin the clean-up of the Canal for resumption of navigation.

"(4) During the course of the second month (or as agreed) the Israeli troops shall withdraw to the line they held prior to June 5, 1967, after which the administration of the corresponding Arab country shall be completely restored in the vacated territories and its troops and police forces be introduced.

"On the day when the second stage of Israeli troop withdrawal begins, the United Arab Republic and Israel (or the United Arab Republic only, in the event that its Government agrees) shall state their consent to the stationing of United Nations troops near the line prior to June 5, 1967, on the Sinai peninsula, at Sharm-Al-Shaikh and in the Gaza Strip; that is, the situation in this area which existed in May, 1967, shall be restored.

"The Security Council shall adopt a decision on sending United Nations troops in accordance with the United Nations Charter and affirm the principle of freedom of navigation through the Strait of Tiran and in the Gulf of Aqaba for the vessels of all countries.

"(5) After completion of the Israeli troops withdrawal to the lines of inter-State demarcation, either through the mediation or the signing of a multilateral document, the documents of the Arab States and Israel deposited earlier shall finally enter into effect.

"The Security Council, basing itself upon provisions of the United Nations Charter, shall adopt a decision on guarantees for the Arab-Israel boundaries (the possibility of guarantees by the four Powers—permanent Security Council members—is also not to be excluded)"

USA Urged To Stop Arms Supply To Israel:

At a news conference in Cairo on January 15, the UAR Deputy Minister of National Guidance, Dr. H. Zayyat, re-iterated that Egypt wanted peace in West Asia but that the United States was not helping by continuing to supply arms to Israel.

He said: "We want peace. We need it. It is not something to be ashamed of trying to get. But when we speak of peace we are not speaking of surrender."

UAR felt, he said, that President de Gaulle's decision not to supply Israel with further arms was a logical one in present circumstances. But the Americans had agreed to supply Israel with **Phantom** jet aircraft. This could not be described as an even-handed policy.

On the question of resuming diplomatic relations with USA, Dr. Zayyat said: "We must have some demonstration that it is not going to go on supplying Israel and helping her to occupy us. We are asking simply for normality. We are not asking for exceptional privileges from America, nor should we be asked to pay a special price. We are prepared to believe that Israel attacked us on June 5, 1967 against Washington's wishes. But the United States should have stopped encouraging the aggression."

Speaking of Israel's apparent opposition to the Soviet proposals for ending the West Asian conflict, Dr. Zayyat said that Israel wanted the Arab States to agree to her wish "to impose herself as a dominant State, as the area's police State".

He went on: "Israel will accept nothing less than direct negotiations and the signature of a peace treaty in order to impose her conditions upon us and become our master.

"But the Israeli rejection of the Soviet memorandum is not important. What interests the Soviet Union is the response of the countries to which the memorandum was addressed—that is, the Powers which have the power of veto in the United Nations Security Council."

Israel Rejects "Big Four" Peace Talks:

On March 30, Israel officially rejected the four-Power talks on West Asia.

An official announcement issued after a meeting of the Israeli Cabinet said that the talks were liable to aid parties to the conflict in evading responsibility to make their own peace. *"Israel opposes any settlement and any procedure which is not agreed upon by the Governments concerned.* Israel is not and will not become the object of Power politics or intra-Power politics and will not accede to any recommendation which conflicts with her vital interests, her rights and her security."

The statement came after two Cabinet meetings to discuss the Foreign Minister, Mr. Abba Eban's talks in Washington with President R. Nixon and his Secretary of State, Mr. William Rogers.

It followed increasing signs that ambassadors of the Big Four Powers were about to meet at UN to discuss West Asia.

Maj.-Gen. M. Dayan On "Big Four" Talks:

The Israeli Defence Minister, Maj.-Gen. Moshe Dayan, told a students' meeting on April 6 that acceptance of the Big Four Powers' terms for a West Asia settlement would mean Israel's suicide.

He declared: "We must say 'No' to the Powers."

The UAR forces were unable to move Israel from the Suez Canal. "They will be powerless to do so in the coming Summer, in the Fall or any other time." They were "warming up" along the Suez Canal to back up President Nixon's contention that West Asia was a powder keg likely to go off and that the intervention of the Big Powers was therefore urgently required. This was sure fiction, he said. West Asia was not burning. The Arab countries could not set it ablaze and there was no danger of a confrontation between the United States and the Soviet Union. "It is Suez which is burning Egyptian oil installations and the Canal towns."

There was no danger of an Arab-Israeli war because the Arabs knew they could not win. The Arab countries were seeking through the Big Powers an Israeli withdrawal without a peace settlement, he said. The four Powers wanted Israel to act in accordance with the interests of the Soviet Union, France, USA and Britain. He bluntly stated that Israel would reply with a curt "No."

Gen. Dayan accused the Big Four Powers of trying to gain advantages for the Arabs which the Arab States had been unable to secure for themselves.

Mr. Abba Eban On Essentials Of Peace:

Israel's Foreign Minister, Mr. Abba Eban, re-affirmed in Washington on March 16 Israel's determination not to go back to pre-war frontiers.

"The map of peace," he emphasized in a television interview, "will be different from the armistice map."

He made it clear that no settlement would be acceptable to Israel without the Arab signatures.

Ruling out a peace imposed by the Big Powers, he said peace was the business and responsibility of sovereign Governments of the area. The Arab Governments had two prospects before them—either to accept the present situation or change it by real peace.

He accused France and the Soviet Union of trying to reconstruct "the debris of the past situation which was shattered by belligerency and by war in 1967."

He was satisfied that USA and UK "want to go forward to a new kind of relations."

Mr. Y. Allon's Warning:

The acting Israeli Prime Minister, Mr. Y. Allon, warned UAR on March 11 of "new" Israeli measures against her "if she continues the artillery attacks across the Suez Canal".

In a radio interview, Mr. Allon said: "We will take effective measures, such measures which the enemy knows already, and such which would be new to him."

He added that Israeli counter-attacks were the only way to answer each "aggression".

"Israel's situation would be grave", he said, "if we would not hit back in force. If we would not react against aggressions, we would already be involved in a large-scale war, although the Arabs cannot beat us".

Chinese Aid To Arabs:

The Israeli Defence Minister, Maj.-Gen. Moshe Dayan, said in Tel Aviv that Israel had definite proof that UAR intelligence initiated, organized and deployed squads of saboteurs in the Sinai area.

There had been, he said, 41 cease-fire violations and terrorist incidents in Sinai and the Gaza Strip in the last three months.

The total value of Soviet supplies to the Arab States since the 1967 fighting was estimated at more than $2,000 million.

Asked about reports that Arab terrorist groups had asked for official French support, he said concrete evidence, available to date, pointed only to aid from China. Sabotage groups were receiving training in the country. In some cases, Chinese-made weapons had been found on captured saboteurs.

UN Security Council Condemns Israel:

In a vote that split the Big Four Powers almost on the eve of West Asian peace talks, the Security Council condemned Israel on April 1 for an air attack on a Jordanian village.

The Soviet Union and France voted for the condemnation resolution, which was approved by 11 to nil with four abstentions. The United States and Britain, objecting that the resolution was one-sided, were among the abstainers.

The resolution, sponsored by Pakistan, Senegal and Zambia, condemned "the recent premeditated air attacks launched by Israel on Jordanian villages and populated areas in flagrant violation of the UN Charter and cease-fire resolutions."

The resolution also warned that if Israel repeated the attacks, the Council would have to consider further steps envisaged under the UN Charter—a reference to possible sanctions and even use of military force.

Jordan made the initial request for an urgent session of the Council after the attack on a village near Salt on March 26. Jordan claimed that 18 civilians were killed, Israel said that the raid was against a base of El Fatah, the Arab guerrilla organization.

More Israeli Settlements Urged:

The Israeli Defence Minister, Maj-Gen. Moshe Dayan, said in Tel Aviv on March 8 that more Israeli settlements should be established in the Israeli-occupied territories so that the lives of the Arabs there could be bound more closely with the Israeli economy.

It was absurd, he said, that 20 months after the six-day June, 1967 war, Egyptian and Jordanian legal systems were being used to administer the occupied territories.

Referring to Arab terrorists, he said, the danger they posed lay not in their actions of sabotage but in the fact that they pushed Arab Governments towards extremism.

(**The New York Times, Tel Aviv Radio, The Times,** London, **Jerusalem Post** and **The Hindu,** Madras)

[Prev. ref. 8840:ISR:A, 8856:ISR:B]

B. Earthquake: A series of earthquake shocks shook the capitals of UAR and Israel as well as other West Asian towns on March 31, about 48 hours after 23 people were killed and 160 hurt when a mud-walled Ethiopian town was flattened by a tremor.

In Cairo, hotels, apartments and office buildings swayed slightly as a 15-second shock hit the city. One house collapsed, three were damaged and five people were taken to hospital with injuries.

The quake shock in Israel was reported to be particularly strong at Bet Shemesh, near Jerusalem, and was felt as far away as the Red Sea port of Eilat, some 130 miles south of the Holy City.

In Sicily, people ran from villages and farms on the eastern slopes of Mount Etna or drove to the coast when a tremor shook the area.

Officials of the seismographic department said the epicentre of the tremor was in the desert region, 140 miles south-east of Cairo.

(**The Times,** London)

[Prev. ref. 8539:IRN:A, 8541:TUR: A]

C. Government Report On Arab Guerrillas: A Government report published in Tel Aviv on March 21 said that pressure and intimidation by Arab commando groups was one of the basic causes of continuing strikes, demonstrations and disorder in Israel-occupied Arab territory.

The report, issued by the Defence Ministry, also mentioned frustration, a growing feeling among the Arab population that the prospects of a settlement and an end of Israel occupation were distant and the waning authority of Arab leaders.

The Arab population of Jerusalem called a general strike the same day (March 21) to mark the anniversary of the Israeli bombing of Arab commando emplacements in the Jordan town of Karameh.

Police Quell Arab Demonstration:

Police with riot shields broke up a procession of Arab women inside the Damascus Gate in Jerusalem on March 28. The women were carrying wreaths to the grave of a Jerusalem Arab who had died in custody a week earlier.

Just before they reached the Damascus Gate, the police discharged a water cannon from the ramparts on them, drenching them in pink-coloured water. The police then charged to disperse the women, but as far as could be seen no one was hurt.

Meanwhile, four lorry drivers who lived on the west bank of the Jordan were killed in the Israeli air strike on March 26 on El Fatah forces, just south of Es-Salt, on the road between Amman and Allenby Bridge. Permission for the bodies to be brought back for burial by the families of the men was granted by Gen. Dayan, the Minister of Defence. Two of the men lived in Nablus, one in Ramallah and one in Bethlehem.

The Israeli announcement added that the military governors of the towns "express regret to the families, explaining that the targets of the Air Force aircraft were bases of saboteurs, where these four men found themselves by chance".

The air strike on the El Fatah camp, according to the Israeli authorities, was made because the camp was serving as an operations and supply base for both El Fatah and the Palestine Liberation Front. Its importance had increased since the destruction of camps by Israeli air strikes in the vicinity last August. The camp was said to be relatively isolated, with no permanent civilian population. It was thought to be used by the Arab organizations because it lies on a principal approach road to the Israeli border.

(**The Times,** London)

[Prev. ref. 8483:ISR:B, 8678:ISR:A]

D. Mr. Abba Khoushi Dead: Mr. Abba Khoushi, Mayor of Haifa and top Labour Party leader, died on March 24. He was 70.

A powerful personality, he ran his city of 22,000 with a firm hand. At the same time he was influential in affairs on the national level as one of the top leaders of the ruling Labour Party. He repeatedly declined Cabinet posts and served only briefly and inconspicuously as a member of the Knesset before he became Mayor of Haifa in 1951.

Born in Galicia (Poland), he came to Palestine in 1920. Like the typical Zionist pioneers of that period, he joined a Kibbutz, worked on road construction and swamp drainage. He later worked as a stevedore in Haifa port and became secretary of the Port Workers' Union.

Haifa was the cleanest and best run in the country and had the most parks and playgrounds, but it hurt Mr. Khoushi's pride that it was dependent on Jerusalem and Tel Aviv for culture. Accordingly, he established a municipal orchestra, a city theatre and the nucleus of a university, and offered houses at giveaway terms to men of letters.

(**The Times,** London)

JAPAN

A. Production Of Uranium-235 Achieved: Scientists announced at the annual meeting of the Japan Atomic Energy Society in Tokyo on March 31 that as a result of their own independent research, they had achieved success in test-producing enriched uranium-235.

Ability to produce enriched uranium means at least theoretically that Japan is now capable of making its own atom bombs.

Results of the tests carried out by the Radio-isotope Research Laboratory of the Physical and Chemical Research Institute in Tokyo were made public at the meeting. This success was rated highly because the nuclear Powers had kept this production technology in great secrecy since enriched uranium served as the base material for making nuclear weapons.

Japanese scientists used gaseous diffusion method for producing enriched uranium. This was the same method industrialized by the five nuclear Powers—the USA the Soviet Union, Britain, France and China.

The announcement was not likely to immediately alter Japan's avowed opposition to acquiring or possessing nuclear arms or to allow any other form of its military application because it was wedded to the policy of nuclear energy for peaceful purposes only. Nevertheless, the fact that it had become technically possible to produce the key material for nuclear bombs would no doubt strengthen Japan's diplomatic bargaining position. Japan's economic and industrial power now was such that it was not a big problem for it to find the necessary resources should it decide to produce atom bombs.

Although the Japanese Government had already signed the Nuclear Non-Proliferation Treaty, it had of late been none too enthusiastic to rush its ratification. As a matter of fact, the Government had given evidence that it was dragging its feet on this question because obviously it wanted to use it as a lever to obtain guarantees for its own rights, especially in the matter of future developments in peaceful uses of nuclear energy.

Observers believed that the new announcement would bolster Japan's hands in future international negotiations on this subject.

(**The Japan Times**, Tokyo and **The Hindu**, Madras)

[Prev. ref. 8148:JAP:B]

B. **FTC Conditions For Steel Merger:** The Fair Trade Commission *(FTC) on February 24 notified the Yawata and Fuji iron and steel companies that it would approve their proposed merger on condition that they take appropriate steps to reduce their dominant market control on three minor items.*

The three disputed items were rails, tin plate and foundry iron.

The Commission's final approval depends on whether it accepts as satisfactory the corrective steps proposed by the two steel companies.

FTC's decision on the merger application by the two steel firms was conveyed to their representatives, after it was finally adopted at a meeting attended by all the five FTC members.

Mr. Seiichi Yamada, FTC chairman, said there were suspicions that the two steel firms, when combined, would have an excessive strength in sheet piles, in addition to the three problematical items.

Speaking at a news conference on February 24, Mr. Yamada said the important thing was for the two firms to absolve their merger project completely of difficulties in relation with the Anti-Monopoly Law.

He was asked to comment on fears that the new merged firm might feel tempted to use its strength to control steel prices or act as "a price leader" for the rest of the steel industry.

Mr. Yamada replied that the conception of administered prices or that of price leadership were both ambiguous. The Commission had tried exclusively to find out whether the planned merger would constitute a substantial restraint on competition in a specific product line.

Yawata and Fuji have a combined crude steel output of 22,734,000 tons. When they merge, the integrated firm will become the world's second biggest steelmaker only after the US Steel Corp. of USA.

Yawata and Fuji plan to sign a contract on the merger and apply to the FTC for registration of the merger. The new firm is to be named Shin Nippon Seitetsu.

Yawata and Fuji are the splinter firms of the former Nihon Iron and Steel Co. which was compulsorily divided in 1950 by the occupation forces.

Yawata is Japan's top, and the world's fourth, steel-maker with annual sales in 1967 of 436,700 million yen and a payroll of 47,000 workers.

Fuji is Japan's No. 2, and the world's fifth, steelmaker whose 1967 sales ran up to 372,200 million yen with a payroll of 35,000.

Yawata is capitalized at 127,360 million yen and Fuji at 102,000 million yen.

(**The Japan Times**, Tokyo)

[Prev. ref. 8357:JAP:B]

C. **Revision Of Immigration Law:** The Justice Ministry has completed a broadly defined Bill for a new immigration law calling for, among other things, simplified entry procedures for short-term foreign travellers.

The present immigration law, enacted 18 years ago, brought about various problems in its application. It also requires such complicated entry procedures that it could not deal effectively with the increasing number of foreign tourists to Japan.

Another notable point of revision is that the Justice Ministry will be able to impose certain restrictions on foreigners travelling in Japan. This revision is designed to curb political activities by visitors from abroad.

However, the proposal for creating a new provision for granting political asylum to foreigners has been shelved. This provision had been proposed by the Japan Socialist Party.

Under the present law, political asylum is granted at the discretion of the Justice Minister on a case-by-case basis. This principle will be incorporated in the new law.

(**The Japan Times**, Tokyo)

D. **Aid Plans For Argentina:** A plan for economic co-operation between Japan and Argentina, with massive Japanese investment, 'was submitted to the Argentine Government by its Ambassador in Tokyo, Mr. Juan Martin.

Japan would purchase 1½ million tons of Argentine farm produce annually in addition to minerals, and in return Japanese industry would play a big part in development of Argentina's transport systems—civilian aviation, runways, and city underground travel—as well as in mining, the fishing industry and nuclear energy.

Farm exports would include 500,000 tons each of corn and sorghum, 300,000 tons of wheat, 25,000 tons of meat, 10,000 tons of leather, wool and vegetable oils, and 2,000 tons of dairy produce.

Japanese participation in the project would be financed by banks and groups already involved in Latin America.

Four firms—Mitsubishi, Mitsui, Sumitomo and Kawasaki—would exploit untapped copper deposits at Paramillo, in the central Andes province of Mendoza.

Operation of the Sierra Grande iron-ore mines in Patagonia would include construction of a large steel plant with an annual production capacity of two million tons.

A high sea port would be built at Puerto Madry to handle the giant freighters envisaged for heavy Japan-Argentina traffic, and at Futateufu, in Patagonia, a hydro-electric plant is foreseen.

Major industrial development would include an electronics plant in Rosario, Argentina's second city, and an aluminium factory at Futateufu. Joint construction of nuclear power plants is also envisaged.

Japan would give technical assistance for modernization of the country's railroads and for construction in Rosario of 8.75 miles of underground railway.

Japanese firms want to equip Aroline as Argentinas with short-range twin-jet craft to replace the British Avro aircraft now used.

(**The Times**, London)

E. **Ambassador Asked To Resign:** A senior Ambassador was asked by the Government on March 28 to resign as a consequence of the publication of a book which contained possibly the most severe criticisms of his country ever written by a Japanese official.

Mr. Ichiro Kawasaki, Ambassador to Argentina, is the author of **Japan Unmasked,** published in Tokyo several weeks ago. The Foreign Minister, Mr. Kiichi Aichi, announced that Mr. Kawasaki would be asked to resign for his "highly deplorable remarks".

The book contained crushing references to the supposed physical inferiority of the Japanese race, corrupt politicians, and the "immaturity" of Japanese diplomacy. "Of all races of the world, the Japanese are perhaps physically the least attractive, with the exception of pygmies and Hottentots", Mr. Kawasaki wrote. He said that in China the Japanese have been referred to as "dwarfs" from time immemorial.

"This physical inferiority, coupled with the fact that the Japanese belong to the yellow race, has destined the Japanese to be the outcasts, so to speak, of the world." The Japanese as individuals were described as "feeble creatures."

While asserting that political corruption was less bad in Japan than elsewhere in the Far East, Mr. Kawasaki noted that "there are cases of flagrant and large-scale corruption. Japanese politicians were given a free hand to consolidate their positions with a mixture of bribes and threats."

Mr. Kawasaki also attacked his own policy planners. Japan "has no new ideas now—not even a commonplace slogan such as 'Asia for the Asiatic' to advocate." Instead, she was "fumbling and groping to find her own identity."

Mr. Kawasaki (59) is a career diplomat who previously served as Ambassador in Poland and Iraq.

(The Times, London)

LAOS

A. **Pathet Lao Currency:** **The New York Times** in a despatch quoting diplomatic sources in Vientiane on March 30 said that the Pathet Lao forces had begun to circulate their own currency, bearing illustrations of Pathet Lao soldiers and patriotic inscriptions.

The sources said travellers from Pathet Lao-controlled sections of Xieng Khouang province, in north-east Laos, carried with them Pathet Lao notes of 100, 200 and 500-kip denominations.

The notes, apparently printed in North Viet-Nam or China, all bear the inscriptions "Pathet Lao," which means "Laos State," and "Central Committee of the Laotian Patriotic Front." They also bear—in the Lao language—the Pathet Lao mottoes, "Peace, independence, neutrality, democracy, integrity, prosperity."

The 500-kip note bears an illustration of an anti-aircraft battery, and the 200-kip note shows Pathet Lao soldiers working in a rice field.

The anti-aircraft battery is an apparent reference to the Pathet Lao claim that during the last five years they have downed more than 1,000 American aircraft bombing Laos.

The 100-kip note depicts a fishing scene, which the inscription describes as an example of co-operation between ethnic Laotians and non-Laotian minority groups.

Significant is the depiction of support for minority groups. Recent Pathet Lao policy statements had emphasized minority rights, and a Pathet Lao manifesto issued last November promised special assistance to non-Laotian ethnic groups.

Recent Pathet Lao attempts to enlarge the area they control in south Laos have been interpreted as an effort to consolidate the Pathet Lao position as spokesman for minority and tribal groups. Such minority groups comprise more than 40 per cent of the Laos population.

(The New York Times)

[Prev. ref. 8826:LAO:A]

NEPAL

A. **Consultative Committee Set Up:** A Palace **communique** issued on April 13 said that King Mahendra had constituted a special four-member Consultative Committee.

The Committee consists of Dr. Tulsi Giri, former Chairman of the Council of Ministers, Mr. Surya Bahadur Thapa, former Prime Minister, Mr. Kirtinidhi Bisht, present Prime Minister, and Mr. Vishwa Bandhu Thapa, a former Vice-Chairman in the Government.

(The Statesman, Calcutta)

[Prev. ref. 8857:NEP:B]

B. **Suspension Of Realization Of Savings:** Realization of compulsory savings from peasants for implementation of the Government's land reforms programme was suspended all over the country on April 10 for the second time since 1966.

Announcing the suspension, the Land Reforms Ministry said that accounts of the savings collected so far would be systematized. The collection was being suspended pending preparation of accurate accounts.

A week earlier, two villages in Kapilvastu district in Western Nepal Terai had witnessed violent peasant-police clashes as the former were opposed to the realization of compulsory savings.

During the last two sessions of the National Panchayat, members had complained of misappropriation of the collections made under compulsory savings.

The Government had consistently maintained that the people were welcoming land reforms. If there was defalcation of funds it was small compared to the amount collected.

The Government had also stated that irregularities would be investigated.

(The Hindustan Times,
New Delhi)

[Prev. ref. 8129:NEP:A]

PAKISTAN

A. **Gen. Yahya Khan's Further Orders:** President Yahya Khan dashed hopes of a civilian Cabinet on April 3 by appointing a Council consisting of the three military leaders who had been assisting him in enforcing Martial Law, imposed on March 25.

The Council of Administration, which he himself will head, includes his three Deputy Chief Martial Law Administrators—Lt-Gen. Abdul Hamid Khan, Vice-Admiral S. M. Ahsan and Air Marshal Noor Khan.

There had been reports that Gen. Yahya Khan was working on the formation of a civilian Cabinet and that it might include members of the former Presidential Cabinet of Mr. Ayub Khan.

Provisional Constitution Order:

President Yahya Khan took on April 4 what appeared to be the first step towards restoring a constitutional Government by issuing a Provincial Constitution Order restoring several provisions of the 1962 Constitution with immediate effect.

The Order said: "Notwithstanding the abrogation of the Constitution of the Islamic Republic of Pakistan brought into force on June 8, 1962, by the Proclamation and subject to any regulation or order made from time to time by the Chief Martial Law Administrator, the State of Pakistan shall, except as otherwise provided in this Order, be governed as nearly as may be in accordance with the 1962 Constitution.

"The Chief Martial Law Administrator shall be the President of Pakistan. He shall perform all functions assigned to the President by or under the 1962 Constitution or by or under any law."

The Order, however, laid down that some paragraphs of the fundamental rights set out in the Constitution shall stand abrogated.

Martial Law Aides Appointed As "Governors":

On April 8, President Yahya Khan followed up the Provisional Constitution Order by appointing *his top Martial Law aides in West and East Pakistan to perform the functions of Governors of the Provinces.*

Lt-Gen. Atiqur Rahman and Maj-Gen. Muzaffaruddin, Martial Law Administrators of the two Wings, would "discharge all those functions and exercise all those rights which were vested in the Provincial Governors under the 1962 Constitution."

Radio Pakistan said that according to a Presidential Order issued in Rawalpindi on April 8, the appointments would take effect from March 25, when Gen. Yahya Khan took over from President Ayub Khan and imposed Martial Law in the country.

The Chief Martial Law Administrator (President Yahya Khan) also issued an order empowering his officers to permit the withdrawal of licensed fire-arms by persons who had deposited them with police stations in terms of an earlier order. The new Order, however, provided that the arms and ammunition could be confiscated if deemed expedient.

President Yahya Khan would keep command of the Army while he ruled the country.

A notice in the **Gazette** of Pakistan announced that his term as Army Commander-in-Chief had been extended for two years after September 18, 1970.

Observers thought that the announcement indicated that Gen. Yahya Khan would not relinquish the Army command while he remained President and Chief Martial Law Administrator. He assumed the Presidency on March 31 (or March 25.)

President's Policies—News Conference:

The President, Gen. Yahya Khan, said on April 10 that his Government would give the utmost importance to peaceful, equitable and honourable solution of all outstanding problems between India and Pakistan including that of Jammu and Kashmir and Farakka Barrage issue.

Addressing his first ever news conference at Rawalpindi after he took over power from Mr. Ayub Khan, Gen. Yahya Khan said he was "anxious to see that peace prevails in this region." His Government was keen on maintaining good relations with Big Powers but would not takes sides in their quarrels. His Government would also work for closer relations with Turkey and Iran, Pakistan's allies in CENTO, and for peace all over the world.

Reporting brief excerpts of the news conference, **Radio Pakistan** quoted Gen. Yahya Khan as having said that he was taking immediate steps for the movement of large supplies of rice to East Pakistan from West. His Government attached great importance to economic development and this would go according to plan. But economic progress would have to be coupled with social justice. Steps would be taken to bring down prices of essential goods to reasonable levels and attempts made to reduce disparities in the income of people.

He said he had directed the despatch of large quantities of rice and other foodgrains to East Pakistan every month. This movement would continue till December, 1969.

He said he would take steps to "take us forward in the appointed direction, namely, the election of the representatives of the people on the basis of adult franchise." He said, however, that it would take time to restore a "normal" situation in which such elections could be held.

He said that "normal administration of the country has to be run by the normal functionaries" before power could be transferred to the elected representatives of the people. He was considering the possibility of civilian participation in the policy-making of his administration at a later stage.

He said: "It will be for the representatives of the people to give the country a workable Constitution. I have no doubt that a Constitution worked out in this manner will enjoy the support of the people and will have the acceptability and sanctity which a Constitution must have."

He said he was happy that respect for law and order had rapidly improved following the imposition of Martial Law.

Recalling the events which led to Martial Law, he said: "Until the very last, my colleagues and I in the armed forces were hoping that the country might be saved without recourse to Martial Law. But when the call to duty came we could not afford to hesitate."

Asked about an election date, he said: "It will not be in days, but it will not be in years."

He said his Martial Law aimed at introducing reforms to meet the immediate needs of students, peasants and workers, and to clean up the country's sprawling civil bureaucracy—measures that would precede establishment of "constructive political life in the country so that power is transferred to the elected representatives of the people."

Measures To Check Corruption:

On April 9, Gen. Yahya Khan directed his colleagues in authority in both Wings of Pakistan to take measures against favouritism and nepotism in official dealings.

According to **Radio Pakistan**, he issued the directive to members of the Administrative Council, Administrators of Martial Law in East and West Pakistan, all central secretaries and chief secretaries of the two Provinces.

He said that among the major problems facing his administration was the evil of favouritism and nepotism in which persons connected with highly placed officials had been found to have obtained contracts, special permits and other preferential treatment.

He directed officials not to be influenced in favour of any individual and that every case must be decided exclusively on merits.

In his directive, he mentioned that some industrial and other highly placed persons had been receiving undue advantages.

Mr. A. Gauhar Loses Post:

One of the key aides of F-M Ayub Khan, Mr. Altaf Gauhar, lost his post on April 12 as head of the Information Ministry.

He had been regarded as one of the former President's closest advisers and one of the top figures in Pakistan's powerful bureaucracy.

Mr. Gauhar handed over his responsibilities in the Information Ministry to his deputy, the Director-General of Public Relations, Mr. Abdul Majid Mufti.

(**The Hindustan Times** and **The Times of India**, New Delhi)

[Prev. ref. 8891:PAK:A]

B. Sweden Stops Arms Supplies: On April 2, Sweden banned all exports of arms and ammunition to Pakistan, halting at least one major deal with the Bofors armaments firm.

According to the Trade Minister, Mr. Gunnar Lange, the ban was imposed because developments inside Pakistan were causing concern in Sweden.

The embargo halted a multi-million kronor deal between Pakistan and Bofors.

Bofors declined to say how large a sum was involved, but admitted that it was considerable. Deliveries of Swedish arms to Pakistan had been made for more than a year and were intended to continue during 1969.

The last shipment, consisting of four railway truckloads of fuses for shells, left Sweden some days earlier. It was loaded into a ship which sailed from the Norwegian port of Drammen for Karachi.

Mr. Lange said that in 1965, Sweden had halted deliveries of arms to both Pakistan and India during the fighting over the Rann of Kutch.

(**The Times**, London)

[Prev. ref. 6511:INI:A]

SYRIA

A. **New National Leadership:** Syria's ruling Ba'ath Party elected on March 31 a new national leadership, including President Nureddin Al-Atassi and the Defence Minister, Major-General Hafez Al-Assad.

The extraordinary Congress of the party named the new 16-man national leadership, Syria's highest legislative body which included three new members. It succeeded a team of 16 which resigned on March 30 to allow settlement of differences that had split the party.

Two men dropped were the Foreign Minister, Mr. Mohammed Eid Ashawy, and Mr. Adel Nuaisseh. One vacancy was left by the recent death of Colonel Abdel Karim Al-Jundi, the former Security Chief who committed suicide earlier.

Dr. Atassi said that the extraordinary Congress had been convened at a very critical stage of the nation and the party.

Party sources said earlier that the Congress had approved a recommendation to draw up a provisional Constitution for Syria within a month.

(**The Times**, London)

[Prev. ref. 8869:SYR:A]

THAILAND

A. **Ministerial Conference For Economic Development:** . The fourth South-East Asian Ministerial Conference for Economic Development was held in Bangkok in the first week of April.

Economic Affairs and Finance Ministers from Japan, the Philippines, Indonesia, Laos, Malaysia, Thailand, Singapore and South Viet-Nam attended the Conference, which ended on April 5 on a hopeful note for the region's progress.

In a **communique,** they noted significant progress in the region's agriculture, industry, transport and communications in spite of the shaky international monetary and economic conditions.

They discussed prospects of socio-economic co-operation in the region when peace eventually comes to war-torn Viet-Nam.

They agreed to set up a council of experts that will study the South-East Asian situation in the next 10 years. The Council will be set up in Thailand which proposed it and announced a donation of $1 million for its upkeep. The Asian Development Bank will provide the experts.

The **communique** said the Japanese Government was considering measures aimed at helping South Viet-Nam and its neighbours in reconstruction and development after the war ends. Japan also agreed to set up a working group that will study the establishment of an acqua-culture research and training centre in the Philippines for fresh and brackish water fisheries.

The Conference also agreed to establish a centre that would be charged with the promotion of trade, tourism and foreign investments. Representatives of participating countries will meet in Tokyo later to discuss the projected centre.

It also expressed appreciation of Malaysia's co-ordinated transport and communications project.

(**The Statesman,** Calcutta)

[Prev. ref. 8607:IND:A]

VIET-NAM (RVN)

A. **President Thieu's Six-Point Programme For National Reconciliation:** In his annual state-of-the nation address to the opening session of the National Assembly, President Nguyen Van Thieu on April 7 outlined a six-point programme which he described as a "reasonable and solid basis for the restoration of peace in Viet-Nam."

[The programme has since been rejected by the National Liberation Front.]

He listed the following six points:

(1) "Communist aggression should stop.

(2) "Communist North Viet-Nam and auxiliary troops and cadres should be completely withdrawn from South Viet-Nam.

(3) "The territories of the neighbouring countries of the Republic (a reference to Cambodia and Laos) should not be violated and used by Communist North Viet-Nam as bases and staging areas for aggression against the Republic.

(4) "South Viet-Nam should adopt a policy of national reconciliation.

(5) "The re-unification of the two Viet-Nams is to be decided by the free choice of the entire population of Viet-Nam through democratic processes.

(6) "There must be an effective system of international control and reliable guarantees against the resumption of Communist aggression."

He also announced that he would soon assume personal leadership of a new political party and would permit others to organize an opposition group.

In exchange for the withdrawal of North Viet-Namese troops from South Viet-Nam, Laos and Cambodia, Mr. Thieu proposed a policy of "national reconciliation" under which members of the Viet-Cong would be permitted to enjoy "full political rights...under the Constitution." By this he was understood to have meant that members of the National Liberation Front, the political arm of the Viet-Cong, could participate in elections as long as they did not identify themselves as Communists.

He had made essentially the same offer at a conference with representatives of the foreign Press at the Presidential Palace two weeks earlier.

In addition to the prospect of elections, Mr. Thieu held out the possibility of "peaceful co-existence" with North Viet-Nam, including "economic and cultural exchanges" between the two countries after a cease-fire.

He said: "There is now an urgent need for political mobilization in this regard. I have come to the decision that I must immediately and personally do that work. That is why I have decided to assume personal leadership of a political alliance.

"I don't have any other ambition than to work to save this country from Communism. I only have the ambition to lead the way; other people will succeed me."

He said that "whoever supports and approves my policies and methods" would be invited to join the new organization. Others would be invited to form "an organized opposition."

"I am neither a hawk nor a dove," he said. "I only want to work to protect South Viet-Nam from the hands of the Communists and build a strong, viable democratic government.

"Those now fighting against us, who renounce violence, respect the laws and faithfully abide by the democratic processes will be welcomed as full members of the national community." That would include "full political rights."

New Ministers:

Earlier in the week, the President's Office announced that in accordance with the recommendation of the Prime Minister, Mr. Tran Van Huong, President Nguyen Van Thieu had appointed the following new members of the Cabinet:

Gen. Tran Thien Khiem—Deputy Prime Minister in charge of Pacification-Reconstruction and concurrently Interior Minister;

Mr. Le Minh Lien—Education and Youth Minister;

Mr. Cao Van Than—Agriculture and Land Reform Minister (in replacement of Mr. Truong Thai Ton);

Mr. Nguyen Van Vang—Revolutionary Development Minister (Prime Minister Tran Van Huong had so far cumulated this post);

Mr. Nguyen Thach Van—Secretary of State for Veteran Affairs (the Veteran Affairs installations had been so far incorporated with the Defence Ministry);

Mr. Vo Huu Thu—Secretary of State in charge of liaison with the National Assembly;

Mr. Nguyen Anh Tuan—Finance Vice-Minister.

In addition, the Minister of State, Mr. Vu Quoc Thuc became Minister of State in charge of Post-War Project, and Mr. Nguyen Ngoc An assumed the post of Information and Open-Arms Minister.

(The New York Times and **Viet-Nam Guardian,** Saigon)

[Prev. ref. 8832:RVN:A]

ASIA OUTSIDE ASIA

A. Possibilities Of Chinese Invasion—US Expert's View: An American military expert, Dr. Chester Cooper, stated in New York on March 20 that at points closer to its borders, China could probably seize sizable areas rather quickly, despite India's claims that it had increased its "border defences."

Dr. Cooper, Director of the Institute of Defence Analysis, was speaking at what was described as the National Convocation on United States-China Relations organized by a national committee of prestigious American experts on China.

Dr. Cooper, however, said there were significant limitations on China's capacity to mount an attack of major proportions below the mountain areas and if, as current events suggested, China's real problems lay along the borders of the Soviet Union, "we might feel reasonably sure that the Chinese will not behave aggressively in other areas."

The convocation, attended by 1,000 delegates, heard a number of experts arguing among themselves and with participants from the floor questioning their assumption and views.

The experts came to the broad conclusion that China was in no position now or in the forseeable future to mount any major military operation outside its borders, but there might be continuing problems on its borders with the Soviet Union and India.

In two sessions, experts discussed China and world security and political trends in China.

Despite the impressive array of expertise, observers found the total outcome as a somewhat bizarre combination of two fables—six blind men and the elephant and the emperor's clothes. More than one expert confessed no one knew really what was going on inside China, perhaps not even Mr. Mao Tse-tung, and that there were really no China experts.

Views ranged across the entire spectrum of extreme left to extreme right. But while differing on interpretation and implications of the Chinese Cultural Revolution and its aftermath, exponents appeared to be near unanimous in the view that things were pretty uncertain now with Mr. Mao and after Mr. Mao's death, even though non-experts might conclude the same without too much discussion.

Political Trends In China:

On the political trends in China now and in the next decade, the following views emerged:

Prof. Richard Walker: "China clearly is in disarray after the Cultural Revolution, with the top leadership fractured and party apparatus shattered and Mao's fellow leaders having lost faith in him. After Mao's death, it might be impossible for any of his chosen heirs or any one else to weld together, to institutionalize and carry on Mao's work."

Mr. David Oancia (former **Globe and Mail** correspondent in Peking): "The People's Liberation Army (PLA) has emerged as the most cohesive force and is running the administration at various levels, running factories etc. While the Communist Party apparatus has been shattered by the Cultural Revolution, the PLA is more or less intact."

Prof. Pfeffer (exponent of radical Left philosophies among American experts): "The Cultural Revolution has shown the supreme power of ideology. Mao has been picking up the moral core of Marxism as against the technical core preserved in the Soviet Union. It is difficult to say whether Mao could succeed in institutionalizing the Revolution."

Mr. Roderick Macfarquhar: "Power and administration is now effectively in the hands of regional commanders who are loyal to Mao. It is difficult to speculate what would happen after his death soon. A bonapartist military **regime** could well emerge."

Mr. Paul Kreisberg (State Department aide participating in the Warsaw talks): "China has yet to determine whether it wants to pursue international revolution or a policy based on national interests, and until a decision is made China would not be interested in relations with other countries. Till then communication with China is also difficult."

Mr. Louis Fischer: "Relations and dealings with a China following national policies would be more difficult, particularly for neighbours, than with a China seeking international revolution as now."

On the question of China and world security, Gen. Samuel Griffith said: "Chinese strategy would be based on developing nuclear capacity and promoting people's wars, The conventional forces were stretched now on innumerable domestic activities. While Chinese nuclear capacity could not really be a danger or threat to the United States, it could pose some limited capability on the periphery."

(The New York Times)

[Prev. ref. 8589:CHI:B]

B. Change In US Nuclear Policy: The United States, in a major policy shift, on April 8 proposed that nuclear weapon States should cut off their production of fissile material—the essential ingredient for a nuclear bomb—and open their plants to international inspection.

Earlier, US, cut-off proposals had involved substantial mutual inspection but the American Ambassador, Mr. Adrian S. Fisher suggested to the Disarmament Committee that this should be carried out by the 101-nation International Atomic Energy Agency (IAEA) in Vienna. "This last element represents a change in the previous position of the United States."

Mr. Fisher said that a cut-off was "the one agreement that would be thoroughly effective in preventing the growth of the stockpiles of nuclear weapons."

The essential elements of the agreement would be:

(1) From an agreed date, nuclear weapons States would halt all production of fissile material for use in nuclear weapons;

(2) The production of fissile material would be permitted to continue for purposes other than use in nuclear weapons—power and propulsion reactors and nuclear explosives for peaceful uses.

(3) The IAEA would be asked to check the nuclear material in each country's peaceful nuclear activities and make sure facilities for the production of fissile material remained closed.

A US spokesman said later that the change from mutual to neutral—IAEA—policing was a "major shift in US inspection policy."

It also meant that nuclear Powers would be subjected to the same kind of inspection as that proposed for the non-nuclear Powers in last year's Nuclear Non-Proliferation Treaty.

(The New York Times)

[Prev. ref. 8870:AOA:A]

C. Revised US Budget: Declaring that the United States had "taken the reins firmly in hand in battling inflation," President Nixon announced in Washington on April 12 revised US Budget figures envisioning a surplus of $5,800 million in the coming year—the biggest surplus proposed since 1951.

Mr. Nixon issued a special statement detailing broad results of an intensive Budget review which produced significant reductions in planned spending for both US military and domestic programmes in the 1970 fiscal year that begins on July 1.

He did not alter Mr. Johnson's January estimate of $198,700 million in Federal revenues for the coming book-keeping this year. To produce the planned $5,800 million surplus, however, he cut the spending estimate to $192,900 million.

He said that whereas Mr. Johnson estimated spending at $195,300 million, Government experts believed this was too low and the Budget submitted by the previous Administration actually would have resulted in spending $196,900 million. That would have cut the fiscal 1970 surplus under the Johnson blueprint to $1,800 million. Thus, he said, he was proposing a total slash of $4,000 million in outlays, of which $1,100 million will come out of the defence budget.

In addition, he announced he was asking Congress to cut requests for appropriations and spending authority by $55,000 million, which, he said, would result in significant reductions in future Federal spending.

(The New York Times)

[Prev. ref. 7591:AOA:A]

D. "Apollo-9" Launched By USA: USA launched on March 3 a manned spacecraft—**Apollo-9**—with three astronauts on board as a first step towards a manned Moon landing.

The astronauts were James A. McDivitt, David R. Scott and Russell L. Schweikart.

Apollo-9 was the 17th manned American space flight, not including the two ballistic flights of astronauts Alan Shepard and Virgil Grissom. Forty-seven astronauts had so far blasted into space—30 American and 17 Russians.

The National Aeronautics and Space Administration rated **Apollo-9** the most complex man-in-space flight yet, even more difficult to carry out than the **Apollo-8** Moon orbit journey.

Space experts predicted that US chances were now better for beating the Soviet Union to the Moon. "I believe our chances of landing on the Moon first are now substantially better," Dr. Wernher von Braun, Director of the Marshall Space Flight Centre, said.

President Nixon acclaimed the launching as "another milestone of the journey of man into space."

A White House statement said: "We are proud of this American adventure, but this is more than an American adventure. It is an adventure of man, bringing the accumulated wisdom of his past to the task of shaping the future."

On March 5, astronaut Russell Schweikart climbed from the **Apollo** spacecraft into the Moon landing vehicle.

Schweikart was first into the spider-legged landing vehicle, followed an hour later by Col. James McDivitt. They met unexpected difficulties before they could crawl through the tunnel in the spaceships nose to the aluminium-skinned "bug"—designed to ferry astronauts from their orbiting mother ship to the Moon's surface and back.

First into the "bug" as it passed high over the Canary Islands was "rusty" Schweikart. He was 58 minutes behind schedule as he floated head first in his pressure suit through the 47-inch tunnel, only 32 inches in diameter. Col. McDivitt crawled through after him about an hour later.

Spacecraft pilot David Scott then sealed off the tunnel between the other ship and the lunar bug and told his colleagues: "Have a nice time. I'll have dinner waiting."

Schweikart was not the first spaceman to transfer from one ship to another in orbit. Two space-walking Russian cosmonauts had transferred from **Soyuz-5** to **Soyuz-4** while the two vehicles were linked in space in January.

On March 6, Russell Schweikart slipped ontside his orbiting Mooncraft to perform America's first spacewalk in more than two years.

He stepped onto a platform outside the Lem hatch which the astronauts call the "front porch." He floated carefully and clumsily out in his bulky suit and positioned his boots into a pair of "golden slippers", attached to the platform. The slippers, which look like Dutch shoes, held him fast and kept him from drifting away, enabling him to free his hands.

On March 7, **Apollo-9** fired its main descent engine to start it on a journey 95 nautical miles away from the command module.

The mother-ship and the spider-like landing vehicle (Lem) had been placed about three miles apart by a short firing of the command module's engine 45 minutes earlier.

The effect of the 25-second lunar module engine burn was to place the craft in an orbit ranging from 11 to 12 nautical miles above and below the orbit of the command module. The engine was fired again after an hour to adjust orbit.

Immediately after the separation, the two vehicles flew circles around each other in an orbital ballet as Scott snapped pictures and the Lem pilots checked the condition of their spindly-legged machine.

The same day, the spaceship successfully achieved rendezvous in orbit with the command module after six hours of separate flight and successfully docked with its command module.

Spacecraft Returns To Earth:

Climaxing a ten-day space flight that qualified **Apollo-9** space craft for voyages to the Moon, the astronauts blazed back to Earth on March 13 and parachuted to a pinpoint landing in the Atlantic Ocean within sight of the recovery ship, **Guadal Canal.**

James A. McDivitt, David R. Scott and Russell L. Schweikart rode their half-ton space-ship to a splashdown in gentle seas, just three miles *from the helicopter carrier,* **Guadal Canal,** *stationed 300 miles* north of Puerto Rico.

During the first five days of the flight, the pilots had proved the flight worthiness of the lunar module, including a tricky rendezvous and a space walk by Schweikart.

The last five days were leisurely as McDivitt, Scott and Schweikart stayed aloft to prove the durability of the command ship.

Apollo-9 was the last manned Earth orbit flight planned by USA until late 1971, when a small three-man space station might be launched.

(The New York Times and **The Times of India,** New Delhi)

[Prev. ref. 8758:AOA:A]

E. US Administration's Attitude To Viet-Nam And Other Issues: The US Secretary of State, Mr. William P. Rogers, on April 7 hoped for mutual withdrawal of American and North Viet-Namese troops beginning some time this year, but made it clear that there was no immediate prospect for a unilateral pull-out of US forces.

In a discussion on troop withdrawals at his first news conference in Washington, Mr. Rogers firmly called for a mutual withdrawal with the scheduling to be negotiated at the Paris peace conference.

He characterized as "most constructive" and very helpful" President Thieu's six-point programme for peace (see page 8927). But, he went on to indicate what was widely held administration view that the Saigon Government would have to offer considerably more it there was to be a negotiated peace with the National Liberation Front. "Now, obviously, if there are discussions about the political aspects of a peace settlement, they will have to be negotiated. There are lots of points that will have to be negotiated."

On other topics, Mr. Rogers said the Administration was "willing to do what we can to have more friendly relations with China." He said the United States did not believe it wise now to attempt to exploit conflicts between the Soviet Union and China, since it would like better relations with both.

The Nixon Administration hoped, in talks with the Japanese after this year, to work out some mutually satisfactory compromise regarding Okinawa, which the United States had promised to return to Japan if and when the situation in the Far East ever became stabilized.

Cambodia had been used by the North Viet-Namese "and is being used by (them) now" as a sanctuary in the war.

On the troops withdrawal issue, highly sensitive both in terms of American public opinion and in relation to the Paris negotiation, Mr. Rogers tried to leave open the Nixon Administration's option to act in co-ordination with the North Viet-Namese, if they are willing, or unilaterally if they are not. He added that the demand for unconditional American troops withdrawal "just means they don't want to negotiate. They just want us to leave."

(The New York Times)

[Prev. ref. 8153:RVN:A, 8256:CHI: B, 8568:JAP:D]

F. Senator E. Kennedy Favours Recognition Of China: Senator Edward Kennedy told the National Committee for United States-China Relations in New York that USA must reverse its policy on the question of China's admission to UN at the earliest.

He said: "Surely in the entire history of American foreign policy there has been no friction more palpably absurd than our official position that China does not exist. Valid as it might have been 50 years ago, the American policy is now outdated."

The first step, he said, would be to admit China to the UN General Assembly and Security Council in place of Taiwan. Next, Washington should open negotiations on the establishment of consular and then diplomatic relations with Peking. Finally, the United States unilaterally should announce the raising of restrictions on exports to China.

He hoped that the Warsaw talks between representatives of China and the United States could be resumed and that in future they could take place on a direct basis and not under the auspices of the Polish Government. (The talks were later unilaterally cancelled by China).

He also warned against the possible effect on China of the establishment of the controversial nation-wide anti-ballistic missile system.

He suggested that the UN move in calling for a new US policy towards China including abandonment of the "unyielding policy of military containment and diplomatic isolation."

Recommending a UN seat for China, he said efforts should also be made at the world Organization to continue to provide representation for Formosa (Taiwan).

[China has said repeatedly it would not be interested in UN membership unless Taiwan was expelled.]

(The Hindustan Times, New Delhi)

[Prev. ref. 8714:AOA:E]

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CHINA

A. Trade Pact (Unofficial) With Japan: A visiting Japanese delegation and Chinese trading authorities signed an unofficial one-year Trade Agreement in Peking on April 6 covering exports and imports in 1969.

No details of the Agreement were made public, but a correspondent of the Japanese **Kyodo** news agency said it was assumed that the Trade Pact provided for exchange of goods worth $70 million, exports and imports combined. This was approximately 30 per cent below the actual volume of trade between Japan and China through this channel in 1968.

The decline was due to suspension of Japan's rice imports from China this year and failure of the two parties to agree on a formula to open Japanese imports of Chinese meat.

The Communique:

China, in a **communique** issued on April 4 on the conclusion of private-level trade talks with Japan, sharply denounced Japan and USA as pursuing a hostile policy against China and creating obstacles in Sino-Japanese relations.

The **communique** said that the Japanese negotiators, led by Mr. Yoshimi Furui of the Liberal-Democratic Party, had "admitted frankly that all the responsibility for straining the Sino-Japanese ties rested with the Japanese Government".

It said that the Japan-US Security Treaty represented an aggressive military alliance directed against China and the peoples of Asia.

The **communique,** signed by Mr. Furui and Mr. Liu Hsi-wen, Chinese Deputy Vice-Minister for Foreign Trade, stated that the Japanese delegation had agreed to promote the normalization of Sino-Japanese relations and oppose any plots to create "two Chinas," recognizing that the Peking Government was the sole legitimate Government of China.

It also said the Japanese team had acknowledged that the province of Taiwan was an inseparable part of China.

Representatives of Japan and China also confirmed that "the three political principles" should serve as the basis for the Japan-China relations.

The three points were that Japan refrains from taking a hostile policy against China, from taking part in schemes to create "two Chinas" and from interfering in attempts to normalize Japan-China relations.

Japanese Reaction:

In Tokyo, the Chief Cabinet Secretary, Mr. Shigeru Hori, said it was "a good thing" that the trade link between the two countries had remained intact, although the trade volume had been reduced.

Mr. Hori declined to elaborate on the **communique,** but he attached significance to a part of the **communique** stating that expediting the normalization of relations between the two nations would help to preserve peace in Asia and in the world.

The Liberal Democratic Party, in a statement issued by the Secretary-General, Mr. Kakuei Tanaka welcomed the continuation of the trade accord and expressed hope that private interchange would be promoted on the principle of non-interference in the internal affairs of the other.

The Japan Socialist Party said that the Government had "political and moral responsibility" for implementing the "joint platform" contained in the **communique** calling for normalization of relations between Japan and China.

The Democratic Socialist Party said it could not accept those parts of the **communique** which opposed the Japan-US Security Treaty and disapproved of the Taipeh **regime.**

Komeito welcomed the joint **communique** "in principle" on the ground that the document contained "much that is basically agreeable" to the party's declared policy of working for the restoration of relations between the two countries.

Meanwhile, Mr. Hideji Kawasaki, a moderate Liberal Democratic member of the Diet, quoted Mr. Yoshimi Furui, chief Japanese delegate to the Peking trade talks, as saying that the present relationship between Japan and China was the worst ever.

(**The Times,** London and **The Japan Times,** Tokyo)

[Prev. ref. 8297:JAP:B, 8328:JAP:N]

B. NPC Vice-Chairman Dead: Mr. Chang Chih-Chung, a Vice-Chairman of the Standing Committee of the National People's Congress and the Defence Council Committee, died in Peking on April 6. He was 79.

In 1949, he was chief Kuomintang delegate to the peace talks with the Chinese Communist Party. He defected to the communists when the talks broke down. In the same year he was elected a member of the National Committee of the first Chinese People's Political Consultative Council.

(**The Times,** London)

INDIA

SUMMARY: Missile Manufacture; New Army Appointments; ARC On Strike By Government Servants; Mrs. I. Gandhi's Proposals On Telengana Issue; Industrial Licensing Policy; Wheat Zone Re-constituted; Vice-Chancellors' Conference.

A. Missile Manufacture Being Considered—Other Defence Measures: The Minister of Defence Production, Mr. L. N. Mishra, disclosed in the Lok Sabha on April 21 that a proposal to establish a new public sector undertaking to manufacture missiles was being considered by the Government.

An offer from a foreign firm had been received and if an agreement with the firm was reached, production of missiles would be taken up.

Mr. Mishra was intervening in the debate on demands for grants for the Defence Ministry.

The Defence Ministry, he said, was venturing "in a concerted way" into the field of sophisticated weaponry, having achieved a measure of self-reliance in regard to the traditionally and relatively simpler items.

He disclosed that a new field gun had been developed which would go into production soon. In the range of medium artillery weapons, the traditional weapons were being progressively replaced by modern ones. The country was already self-reliant in light artillery weapons and their ammunition.

The production of Vijayanta tanks was progressing satisfactorily, both in numbers and in the percentage of indigenous content. The Services were being supplied larger numbers of Shaktiman and Nissan vehicles.

He said that a new factory would be set up to produce sophisticated radars and micro-wave equipment. Bharat Electronics had successfully undertaken the manufacture of a whole new group of electronic equipment for the Services.

He said in the first Indian frigate, **INS Nilgiri** launched in October and to be commissioned in 1971, indigenous production of 263 items had been established contributing a value of Rs. 1.16 crores. It was expected that for the second frigate, this would go up to Rs. 5.11 crores, covering important items like propulsion machinery and radar system.

He listed some of the fields in which research had made progress as follows:

(1) Mountain gun and its ammunition; (2) a rocket for use by aircraft with high explosive warhead; (3) various types of escape aid and power jettisoning cartridge for the Air Force; (4) signal cartridge and drill mines for the Navy; (5) various types of propellants and explosives; (6) large number of instruments which are used in conjunction with weapons; (7) semi-automatic rifle; (8) anti-tank grenade; (9) anti-tank mine; (10) an air burst anti-personnel mine; and (11) a mine clearing device.

In addition to these, he disclosed that the Research and Development Organization had also developed propellant charges to meet the requirements of the equatorial rocket launching station at Thumba.

In the field of electronics, the important contributions were: field artillery radar and its simulator, a local warning radar system, an improved version of trans-receiver for field communication, a repeater field telephone and a channel doubling unit.

(**The Statesman,** New Delhi)

[Prev. ref. 8164:INI:U, 8708:INI:G]

B. Army Appointments: In a series of Army appointments announced in New Delhi on April 23, three of the four Army Commands in the country—Eastern, Southern and Western—were given new commanders in the course of the next six months.

The Government appointed Lt-Gen. G. G. Bewoor, Deputy Chief of the Army Staff at Army Headquarters to be General Officer Commanding-in-Chief, Southern Command, from July 8 in place of Lt-Gen. Moti Sagar who was retiring.

Lt-Gen. K. P. Candeth, General Officer Commanding 15 Corps, was appointed General Officer Commanding-in-Chief, Western Command, from October 1 in place of Lt-Gen. Harbaksh Singh who would also retire from the Army.

Lt-Gen. J. S. Aurora, General Officer Commanding 33 Corps was appointed General Officer Commanding-in-Chief of the Eastern Command with effect from June 8, when Lt-Gen. S. H. F. J. Manekshaw takes over as Chief of the Army Staff.

Three other consequential appointments in this chain were also announced:

Major-Gen. M. L. Thapar, Director of Military Training at Army Headquarters was appointed General Officer Commanding 33 Corps (in the acting rank of Lt.-Gen.) in place of Lt-Gen. Aurora.

Major-Gen Sartaj Singh, Director of Military Operations at Army Headquarters was appointed General Officer Commanding 15 Corps (in the acting rank of Lt-Gen.) in place of Lt-Gen. Candeth.

Major-Gen. R. S. Noronha, General Officer Commanding, 26 Infantry Division, was appointed Deputy Chief of the Army Staff at Army Headquarters (in the acting rank of Lt-Gen.) in place of Lt-Gen. Bewoor.

(**The Times of India,** New Delhi)

[Prev. ref. 8308:INI:G, 8875:INI:B]

C. Ban On Strikes By Government Servants—ARC Recommendations On Personnel Administration: In a letter forwarding the Administrative Reforms Commission's (ARC) report on personnel administration to the Prime Minister, the ARC recommended that Government servants should have no right to strike.

The Chairman of the Commission, Mr. K. Hanumanthaiya, said in the letter: "For the past few years, organized civil servants have become very much self-oriented, pre-occupied with their prospects and emoluments and have taken to militant methods such as violent demonstrations and strikes for the acceptance of their demands. Discipline and morale have deteriorated."

The ARC had, therefore, supported the principle underlying the Essential Services Maintenance Act, 1968, and suggested that it should be adopted by the State Governments also.

Every new entrant to Government service should sign a pledge that he would in no circumstances resort to strike.

The Commission, however, underlined the importance of "adequate" machinery for redress of employees' grievances and recommended strengthening of the joint consultative machinery and appointment of civil service tribunals to function as final appellate authorities on orders inflicting major punishments of dismissal, removal from service and reduction in rank.

Some of the Commission's other reforms were:

There need not be a holiday on Independence Day.

Restricted religious holidays may be dispensed with by adding two more days to the present 12 days of casual leave.

If a temporary employee has continued in Government service without a break for 10 years or more, all such services, whether followed by confirmation or not, should count for pension and gratuity on the same scale as admissible to permanent Government employees.

The quantum of pension may be raised to 3/6ths (instead of the existing 3/8ths) of the average emoluments of the last three years of service. The present ceiling should also be raised to Rs. 1,000 per mensem.

The existing medical re-imbursement scheme should be abolished. Instead the Contributory Health Scheme should be extended to all Government servants and meanwhile suitable monetary ceiling fixed for re-imbursement of medical expenses.

The upper age limit for entrance to the competitive examinations may be raised to 26.

At least one of the members of a State Public Service Commission should belong to a different State.

One of the new recommendations was that legislation might be passed declaring demonstrations inside public offices, leading to disruption of orderly and peaceful work, as an offence for which punishment could be imposed as on acts of public nuisance.

The recommendation drew a note of dissent by a member, Mr. H. V. Kamath. Mr. Kamath did not agree wholly with the recommendation on strikes and demonstrations, holding that such a ban would be justified only if a pre-condition was met, that is, provision of an expeditious and efficient machinery for timely redressal of legitimate grievances.

The Commission also proposed that no employee should ordinarily be kept under suspension for a period of more than three months, except in cases pending in courts.

A new measure sought to replace the present system of "confidential reports" by "performance reports" under which every Government servant would be given an opportunity to give a **resume** of his performance during the year and get his merits properly assessed for the purpose of promotion.

(**The Times of India,** New Delhi)

[Prev. ref. 8560:INI:A, 8672:INI:C]

D. Finance Commission Not To Re-imburse Loss Of Revenues By States: It was made known in New Delhi on April 17 that the Finance Commission had decided not to make good any losses in the States' revenues caused by concessions given on political considerations.

In the Commission's view, such losses should be made good by the State concerned by "alternative" resource-raising measures.

This policy decision was taken by the Commission in view of the huge budgetary deficits shown by the States this year in an obvious attempt to press for a higher share in the divisible pool of Central taxes.

Thus, the revenue losses incurred by the States on account of abolition of land revenue or abolition of other "accepted norms of raising resources" would not receive cognizance at the hands of the Commission in estimating the States' budgetary imbalances.

Similarly, the subsidy on rice given by the Tamil Nadu Government under its "rupee a measure" scheme may not be given any special weightage in the State's normal revenue expenditure.

The total uncovered gap in the States' Budgets was about Rs. 400 crores. The States were at present incurring a net loss of about Rs. 75 crores per year on commercial irrigation works. The recommendations of the Nijalingappa Committee to wipe out these losses and improve the returns from irrigation projects still remained to be implemented.

It was estimated that if the current losses on irrigation were eliminated, additional resources of the order of Rs. 400 crores should be available to the States over the Fourth Plan period.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8554:INI:F, 8671:INI:B]

E. Kerala Extremist Communists Accept Chinese Leadership: A conference of extremist Communists of Kerala, which met for two days in Cannanore on April 21, adopted a resolution accepting the "leadership of the great Chinese Communist Party" and appreciating relentless struggle waged by the Communist Party of China against the revisionism and social imperialism of Soviet leadership and American imperialism.

The resolution pledged to build up a real revolutionary communist movement in Kerala.

In another resolution, it said that "the revolutionaries would cut off all connexions with bourgeois democracy such as Parliament, State Assemblies, panchayats, etc."

A 12-member Kerala Communist Revolutionary Committee set up by the conference would decide how this resolution should be implemented. It would also finalize "people's programmes" for implementation.

(**The Hindu,** Madras)

[Prev. ref. 8769:INI:M]

F. Telengana Issue—Mrs. Indira Gandhi's Proposals: The Prime Minister, Mrs. Indira Gandhi, had a meeting with some of the Andhra Pradesh (including Telengana) leaders in New Delhi on April 10 and 11 to discuss the Telengana safeguards and evolve a solution.

She also had discussions with the Opposition leaders in Parliament on the issue.

On April 11, she gave out her proposals, and announced in the Lok Sabha the Government's decision to appoint a high-power Committee with a sitting or a retired Supreme Court Judge as chairman to go into the varying estimates and representations and determine the surplus revenues relatable to Telengana which was expected to have been spent on the development of the Telengana region.

The Committee will report to the Government of India by the end of May, 1969. It will have an eminent economist with knowledge of State finances and a senior representative of the Comptroller and Auditor-General of India as members.

In a detailed statement embodying the decisions taken at the high-level conference convened by her to resolve the Telengana deadlock, Mrs. Gandhi said that the possibility of providing appropriate constitutional safeguards in the matter of public employment in favour of the Telengana people would be examined by the Central Government in consultation with a committee of jurists.

In an earnest bid to remove the fears and misgivings in the minds of the Telengana people, who had been agitating for a separate State for some weeks, she also announced the appointment of various other committees at the Central and State levels to ensure effective implementation of Telengana safeguards and speedy development of the region.

She also said that the Chief Minister, Mr. K. Brahmananda Reddy, had indicated to her his desire to make appropriate political arrangements to promote the objectives in view. This was interpreted to mean that the post of Deputy Chief Minister from the Telengana region would soon be revived.

She appealed to the Telengana people to end the present agitation and give full co-operation in the fulfilment of various positive measures evolved as a result of these discussions. She proposed to continue further the process of discussions with the widest possible section of public opinion in Andhra Pradesh. She assured them that their genuine problems would receive continuous and sympathetic attention of the State.

She stressed the need for maintaining and strengthening the unity and integrity of Andhra Pradesh. The overall aim was to ensure that the pace of development and expansion of employment opportunites in Telengana was accelerated and conditions were created for the balanced development of all parts of Andhra.

She said that discussions would start immediately among the representatives of the Central Finance and Home Ministries, the Planning Commission and the State Government regarding the manner in which the requisite financial resources could be found to make good the surpluses relatable to Telengana.

A high-power Telengana Development Committee would be set up immediately to indentify the programmes and schemes relatable to the Telengana region and to review from time to time the actual implementation of these programmes. It will consist of the Chief Minister as Chairman, a member of the Planning Commission, Andhra Ministers belonging to the Telengana region and the Chairman of the Telengana Regional Committee, as members. There would also be a Plan Implementation Committee at the official level, presided over by an Adviser of the Planning Commission, to review periodically the implementation of the Plan programmes relating to the accelerated development of Telengana.

It had been further agreed that in order to ensure continuous attention of the Central Government towards the problems of the Telengana region, the Prime Minister would hold review meetings every six months with the Chief Minister and his colleagues in the Telengana Development Committee. The Deputy Prime Minister, the Home Minister and the Deputy Chairman of the Planning Commission would be among others to be associated with these meetings. This suggestion had been made by the Chief Minister himself.

Another important announcement was that the high-power Central Advisory Committee set up under the States Re-organization Act would visit Hyderabad shortly to examine the grievances of public servants of various categories and make appropriate recommendations to the Central Home Ministry. The Committee would be headed by the Chairman of the UPSC.

The Central Home Ministry would also devise an urgent programme within a definite time-schedule with the object of deciding any outstanding cases relating to the integration of Services.

Jurists' Committee To Report On Safeguards Implementation:

The Government of India appointed on April 19 a Committee of Jurists headed by a former Chief Justice of India, Mr. K. N. Wanchoo, to advise it on steps to implement the Telengana safeguards.

This was in pursuance of the announcement made by the Prime Minister in the Lok Sabha. The former Attorney-General, Mr. M. C. Setalvad, MP, and the present Attorney-General, Mr. Niren De, will be the other two members of the Committee.

The Committee will consider the implications of the recent judgment of the Supreme Court holding Section 3 of the Public Employment (Requirement as to Residence) Act 1967 insofar as it relates to the Telengana area of Andhra Pradesh **ultra vires** of the Constitution (see page 8899).

The Committee, according to a Home Ministry announcement, will make its recommendations as soon as practicable and suggest legislative and other measures necessary for effective implementation of the Telengana safeguards relating to employment or appointment in public services under the State Government and under local and other authorities.

The measures, possible as well as necessary, will be in keeping with the spirit of the assurances contained in the Agreement reached between the Andhra and Telengana leaders in 1956 and the recent all-party accord reached at Hyderabad. The Committee will review the various laws and rules pertaining to requirements as to residence which have been in force from time to time in regard to recruitment to public services and report on the possibility of continuing the same or similar provisions.

It will also report on other incidental and consequential matters.

Committee On Surplus Revenue Appointed:

On April 23, the Government of India appointed a high-power Committee under the chairmanship of Mr. Justice Vasishtha Bhargava, a Judge of the Supreme Court, "to determine the surplus relatable to Telengana which was expected to have been spent on the development of Telengana region".

This was one of the specific steps taken by the Government for "accelerating the pace of development and expansion of employment opportunities in Telengana region and creating conditions for balanced economic development of the State of Andhra Pradesh as a whole."

Other members of the Committee are: Mr. Mukut Behari Mathur, Director of Asian Institute of Education, Planning and Administration, and Mr. Hari Bhushan Bhar, Additional Deputy Controller and Auditor-General. Mr. T. N. Krishnaswami will be Secretary of the Committee.

According to a resolution issued by the Home Ministry on April 23, the Committee will take into account the agreements reached between the representatives of Andhra and Telengana regions regarding the utilization of the surpluses from Telengana region for expenditure on development of that region.

It will examine the varying estimates made of such surpluses during the period November 1, 1956 to March 31, 1968, and of the unspent portion of such surpluses and also any representations made against these estimates. It will also determine the amount which ought to have been spent on the development of Telengana region in accordance with the agreements but remained unspent on March 31, 1968.

The Committee will also evolve and recommend principles on which the surpluses from Telengana region should be determined in future.

The Committee would report to the Government by May 31, 1969.

State Telengana Development & Plan Implementation Committees:

The Andhra Government decided on April 17 to set up a high-power Telengana Development Committee and a Plan Implementation Committee in pursuance of the announcement made by Mrs. Indira Gandhi in her statement on Telengana on April 11 in the Lok Sabha.

The Development Committee will be headed by the Chief Minister, Mr. K. Brahmananda Reddy, and will include a member of the Planning Commission, State Ministers belonging to Telengana and the Chairman of the Telengana Regional Committee.

The main functions of the Committee, as outlined by Mrs. Gandhi in her statement, will be to identify within the overall frame-work of the Five-Year Plan the programmes and schemes relatable to the Telengana region with reference to the physical as well as financial targets to be achieved, to review from time to time the actual implementation and working of these programmes and schemes and to advise the State Government on appropriate decisions that may be considered necessary.

The Plan Implementation Committee will be presided over by an Adviser of the Planning Commission and composed of representatives of the Central Finance and Home Ministries.

Telengana MLAs Support Mrs. Gandhi's Proposals:

Forty-one Congress members of the Andhra Pradesh Assembly from Telengana signed a statement on April 15 welcoming the Prime Minister's eight-point plan for the region.

The meeting, which was presided over by the Revenue Minister, Mr. V. B. Raju, was attended by 73 Congress members from the region. Telengana has 105 members in the State Assembly.

The statement appealed to the Prime Minister and the Central Government to take immediate legal and constitutional steps to get over the situation created by the Supreme Court's judgment striking down **Mulki** (domicile) rules (see page 8899).

CPI (M) On Telengana Disturbances:

In a statement on April 6, the Politburo of the Communist Party of India (Marxist) strongly opposed any dismemberment of Andhra Pradesh and creation of a separate Telengana State.

Expressing its serious concern at the "disturbing developments" in Andhra Pradesh in the last two months, the Politburo declared that the CPI (M) was "determinedly opposed" to this separatist agitation from either region of Andhra Pradesh, Telengana or Circar districts of Andhra.

It warned the workers, peasants and other democratic forces in that State as also those in the entire country against the grave danger inherent in these "extremely reactionary moves" of the counter-revolutionary landlord politicians and their political lobbies.

It appealed to all democratic forces to rise in time and beat back this offensive on the unity of the democratic revolutionary movement in the country and, in the final analysis, on the very unity of the country.

It alleged that the big landlord-dominated Telengana wing of the Congress was making a determined bid to carve out a separate Telengana State for its exclusive domination and exploitation, while a powerful section of the landlords in Circar districts of Andhra was equally eager to get rid of the Telengana region so that its narrow sectional hegemony was ensured in the residuary State. The aggressive demand for a separate Telengana State was only a first grave warning of the shape of things to come under "Congress misrule."

CPI Resolution:

The National Council of the CPI which met in New Delhi from April 5 to 12, in a resolution released on April 21, blamed the Congress for the widespread separatist movements in many States.

It attributed the uneven development of the economy to the rapid growth of monopolies. People of the under-developed regions felt a sense of neglect and gross injustice.

Discussing the problem of regionalism in the context of the demand for a separate Telengana, it expressed the view that such trends were a distortion of popular anger and discontent. They diverted people's attention from the basic inequalities. It felt, however, that the demand for tribal autonomy stood on a different footing and deserved support.

It directed the State units to fight regional discrimination, but at the same time to oppose disruptive forces. It warned against regional considerations in employment and said that this would divide the working class.

(**The Hindu**, Madras, **The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 8899:INI:L]

G. Industrial Licensing Policy: According to the Government's new industrial licensing policy for 1969-70, beer, calcium carbide, domestic refrigerators, electric bulbs and midget electrodes have been taken off the list of "banned items" for industrial licensing in the current financial year.

Even though the policy did not contain many changes as in the past, it indicated a liberal approach to industries in which the production capacity was still below demand and a restrictive approach to those on which there was already an excess of installed capacity.

In freeing certain industries from restrictions imposed in the previous years, the Government took into account the shortages that had developed in them as a result of larger demand and also a few licensed units not going into production as per schedule.

Under the new policy, only a few items like air gas compressors in the engineering group and methanol in the non-engineering group were added to the list of "banned items". While soap was still under ban, toilet soap had been exempted.

In pursuance of its policy of encouraging the small-scale sector, the Government reserved three more items exclusively for development in this sector and no industrial licences would be issued to the corporate sector in respect of any one of 42 industries contained in the list.

The new items reserved for the small-scale sector were full PVC footwear (chappals, sandals and shoes), except for export by predominantly export-oriented units, electrical wiring accessories and electrical light fittings (such as chokes, starters and reflectors) and hand-stapling machines.

The Government also released an illustrative list of 50 industries in which licences for new units might be issued "on merit." Some of the items added to this list were bulbs of different types, cash registers, both manual and power-operated, mercury vapour bulbs, motor car headlights and telephone switchboard bulbs.

In the group of non-engineering industries, caustic soda and soda ash were added to the list of items for consideration for licensing on merits. In the engineering group, typewriters which figured in the merit list last year were left out in the new policy.

(**The Times of India**, New Delhi)

[Prev. ref. 8139:INI:W]

H. Eight States Brought Under Single Wheat Zone: The Central Government decided on April 22 to bring more than half the country, covering eight States and three Union Territories, under a single wheat zone. It also decided to increase by Rs. 8 per quintal the issue price of cheaper wheat.

The new zone includes West Bengal, Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Haryana, Punjab and Jammu and Kashmir and the Union Territories of Delhi, Himachal Pradesh and Chandigarh. In West Bengal, the statutorily rationed area of Calcutta is excluded from this zone. The present northern zone comprises Jammu and Kashmir, Punjab, Chandigarh, Haryana, Himachal Pradesh and Delhi.

The procurement price of wheat in 1969-70 would remain the same as last year—Rs 76 per quintal. It would be reduced as suggested by the Agricultural Prices Commission.

The procurement price of wheat for the 1968-69 marketing season had been fixed for all the States at Rs. 76 per quintal—the same as this year—for the common white variety and all Mexican varieties. The only difference was that the latest announcement provided no special price for the superior varieties for which the price of Rs. 81 per quintal was fixed last year.

The Government made a significant departure from last year in the issue price of wheat which has now been fixed at Rs. 78 per quintal for all varieties. Last year three prices—Rs. 70, Rs. 90 and Rs. 95—were fixed for the different varieties.

This would mean that the retail price of the cheaper varieties consumed by the poorer sections would go up by Rs. 8 per quintal while that of the better varieties would come down by Rs. 12 to Rs. 17 per quintal.

The outstanding feature of the announcement, however, was the enlargement of the northern wheat zone to nearly ten times its present size in terms of population. This bold departure from past practice had been made possible by the bumper wheat crop, expected to be around 18 million tonnes this year.

Punjab's Protest:

On April 17, the Punjab Government lodged a protest with the Central Government against its decision to enlarge the northern food zone and fix the purchase price of varieties of wheat, other than indigenous red, at Rs. 76 per quintal.

In a letter to the Central Food Minister, Mr. Jagjivan Ram, the State Chief Minister, Mr. Gurnam Singh, said that the decision had come as a great disappointment to the Punjab Government. It was grossly unfair to farmers. The purchase price was not adequate to cover the increased cost of agricultural production.

(**The Times of India** and **The Statesman,** New Delhi)

[Prev. ref. 7688:INI:D, 8271:INI:J]

I. Price Control Over Cement Lifted: The Minister for Industrial Development and Company Affairs, Mr. Fakhruddin Ali Ahmed, announced in Lok Sabha on April 14 that the Government had decided to remove all control over the price and distribution of cement with effect from January 1, 1970.

He also announced that the existing arrangements relating to freight pooling would be discontinued as from that date. These decisions had been taken "in view of the fact that the supply position of cement is at present comparatively easy and is expected to be so for the next few years."

He also announced that the Government had decided that the additional capacity to be set up in the public sector by the Cement Corporation of India should henceforth be only in the deficit areas.

The Government had decided, after discussions with the industry, to fix a ceiling price for cement at Rs. 100 per tonne ex-works with effect from April 16, 1969, generally. However, in the cases of Assam Cements (Cherrapunji), J and K Minerals (Wuyan) and Travancore Cements (Kottayam), the prices would have to be fixed separately, taking into account their special circumstances. According to the Minister, these were sub-standard units.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6802:INI:J]

J. Bhakra Hydro-electric Complex Completed: The giant Bhakra hydro-electric complex was completed with the formal inauguration of the Bhakra right bank power station by the Vice-President, Mr. V. V. Giri, at Nangal on April 17.

Speaking on the occasion, Mr. Giri called for proper utilization of the water resources of inter-State rivers for the benefit of the nation.

He expressed the hope that Bhakra-Nangal would become a symbol of international collaboration, national integration and inter-State co-operation, and serve as a source of eternal inspiration.

He thanked the Soviet Union and the United States for the assistance given by them for the Bhakra-Nangal project and complimented the human endeavour involved in its execution.

The Irrigation and Power Minister, Dr. K. L. Rao, hailed the completion of the Rs. 235-crore project as a mighty achievement. He said the new power station, built with Soviet assistance, was a standing monument to Indo-Soviet friendship.

Mr. R. K. Kurhanov, Chairman of the Council of Ministers of the Soviet Republic of Uzbekistan, who was present, also underlined the traditional friendship between India and the Soviet Union.

The total installed capacity of this power plant is 6,00,000 kw. There are five hydro-units of equal capacity. The estimated cost of the right bank power project alone is about Rs. 59.7 crores.

Soviet credit for the project totalled Rs. 10.4 crores.

With the commissioning of the *Bhakra right* bank power house, the fifth unit of the Bhakra-Nangal project, the total installed capacity has reached 1,050 mw, making this the largest single power station in the country.

The bulk of the power requirements of Punjab, Haryana, Himachal Pradesh and Delhi is met by the station.

(**The Times of India,** New Delhi)

[Prev. ref. 5848:INI:P]

K. Labour Relations During 1968-69—Ministry's Annual Report: The annual report of the Central Ministry of Labour and Employment for 1968-69, released in New Delhi on April 15, stated that with labour relations remaining "disturbed" in the country during 1968, 13.83 million man-days were lost on account of strikes and lock-outs during the year.

Of this, 1.53 million man-days were lost in the Central sphere undertakings and 12.20 million in the State sphere undertakings.

However, the man-days lost during the year were less than in the previous year, 1967, which had a record of 17.14 million compared to those from 1963 onwards.

Labour-management relations in the Central sphere undertakings remained disturbed during the year with strikes in banking, insurance, port and docks, railways, defence, posts and telegraphs, newspapers, Central undertakings and coal-mines. Certain sections of employees in the various Central Government offices including railways, posts and telegraphs and defence also went on a day's token strike in September, in support of their demand for need-based minimum wages.

In industries in the Central sphere, other than mines and oil-fields, there were 172 strikes and four lock-outs resulting in more than 13,00,000 man-days lost. The loss to workers in terms of wages was estimated at Rs. 26,00,000.

Among the States, Maharashtra, West Bengal, Tamil Nadu, Uttar Pradesh and Kerala topped the list with more strikes and larger number of man-days lost. West Bengal lost about 60,00,000 man-days, Tamil Nadu over 23,00,000, Maharashtra over 16,00,000, Kerala about 5,00,000 and UP about 4,60,000.

Although employment in public sector continued to increase, the growth rate during the year was lower than in the previous year. In absolute terms, employment increased from 9.63 million in March, 1967 to 9.80 million in March, 1968.

A tentative provision of Rs. 11.7 crores for the Fourth Plan period and of Rs. 1.90 crores for 1969-70 had been approved for the department.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6438:INI:F]

L. Industrially Backward Areas Identified: A working group of the Planning Commission has identified Andhra Pradesh, Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh as industrially backward areas eligible for special treatment by way of incentives for industrial development.

Assam, Nagaland and Jammu and Kashmir were earlier chosen by the committee of the National Development Council for first priority in the matter of Central assistance in view of their special problems and backwardness.

The working group, set up at the instance of the NDC committee last September, selected the six States for special treatment on the basis of a six-point criteria.

The criteria were: total per capita income, **per capita** income from industry and mining, number of workers in registered factories, per **capita** annual consumption of electricity, length of surfaced roads and

and railway mileage.

(The Hindustan Times, New Delhi)

[Prev. ref. 8400:INI:P]

M. Vice-Chancellors' Conference: The Vice-Chancellors' Conference, which ended in New Delhi on April 23, refrained from taking a decision on the controversial question of students' participation in university administration and decided to refer it, in view of the complexities involved, to a working group to be set up by the University Grants Commission.

It was, however, unanimously agreed that in all non-curricular activities, which did not involve direct participation in statutory bodies of the universities, students would be allowed to play an active role. Joint committees of teachers and students would be set up in universities for this purpose.

Winding up the Conference, the Vice-Chancellor of Bombay University, Dr. P. B. Gajendragadkar said that permission to students to participate in statutory bodies would be dangerous in view of the unstable political situation in the country.

The Conference was unanimous in deciding to go ahead with the proposal of instruction in the regional media, but resolved at the same time to provide necessary safeguards to prevent deterioration in teaching standards. The caution was necessary in view of the dearth of books in regional languages.

The Central Education Minister, Dr. V. K. R. V. Rao, announced that the Government was engaged in implementing the Rs. 15-crore programme for bringing out books in all Indian languages. The books, he added, would be tailored to the requirements of the universities and the examination syllabi in particular.

But, he asserted that if the country wanted to keep abreast of the latest in the field of knowledge, the continuance of English was essential. He stressed the need for shedding emotional antipathy, if any, against English. He added that the method of teaching English would undergo a change.

Another important decision taken by the Conference related to the position of Urdu in education. In his opening speech at the Conference, Dr. Rao pointed out that Urdu was not a regional language. It was an inter-State language and one of the important national languages of India. The Education Ministry was willing to make available Rs. 1 crore for its development.

It was decided that a Central Board for the production of books in Urdu would be set up.

Central Institute Of Languages:

Dr. V. K. R. V. Rao announced at the Conference that the Government had decided to set up a Central Institute of Languages to develop regional languages.

He said that the Government had approved the financial allocation for the Institute, which would help develop all major languages, including Urdu, even if they were not regional or State languages.

He also announced that the Government would allocate Rs. 1 crore to produce books in Urdu for use in universities. The amount would be outside the Rs. 18-crore programme of production of books at the university level in regional languages, under which each State had been assured assistance of Rs. 1 crore during the Plan period for producing textbooks in regional languages. Urdu was excluded from the scheme since it was not a regional language.

English As Medium Of Education—Policy Statement:

Making a major policy statement on the controversial question of university medium, Dr. V. K. R. V. Rao, declared at the Vice-Chancellors' Conference on April 21 that changing the medium of education from English to the regional languages could not, and should not, mean the abolition of English from the universities.

He said that far from abolishing English, students would, in future, have to acquire an adequate command over English to read and understand English books in their chosen subjects and use English as their library language.

Cautioning the Vice-Chancellors against a hasty switch-over to the regional languages without adequate preparation, he said: "We have to do this carefully in a phased manner, and with due regard to exceptions for local circumstances, special requirements of specified academic disciplines and the need for mobility among scholars in the post-graduate and research stages of education.

"Above all, we must see that in effecting this change, academic standards do not suffer the slightest degree of erosion."

Before the medium was changed for any subject at the under-graduate stage, at least one good text-book for each paper in the course should be made available.

He advocated a radical change in the methods of teaching English.

He also outlined an eight-point programme to be developed in the coming years:

(1) The book development programme. The Central had provided Rs. 1 crore each to every State to produce books in regional languages. Dr. Rao appealed to the Vice-Chancellors to woo outstanding teachers to write text-books.

(2) Introduction of games and sports and the National Social Service (NSS) as alternatives to the National Cadet Corps during the first two years of under-graduate instruction. The Ministry proposed to start with 60,000 participants in the NSS during the first year and reach a total of 200,000 by the fifth year.

Introducing social services as part of academic instruction was a grand new experiment, the success of which could have far-reaching implications for India's social development.

(3) Student participation in the academic process. This included building of text-book libraries, day centres of study near the residences of students, and guidance and counselling services for students.

The participation of students in the academic process had now been accepted in principle. A private Bill introduced in Parliament for giving statutory recognition to the principle of student participation and setting out the institutional requirements for it was being circulated for public opinion and to the universities.

(4) The composition of governing bodies of colleges was unsatisfactory, their actions often arbitrary. Teachers suffered from a sense of insecurity and injustice. The Government was therefore thinking of appointing a committee to study the working of affiliated colleges.

(5) The development of teacher education.

(6) To prepare alternative courses oriented to employment.

(7) To have a proper liaison between the national laboratories and the universities.

(8) Schemes to promote national integration. One such scheme could be to modify academic courses in such a manner as to make it possible for a student studying at one university to undertake a part of his course in some other university.

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 7931:INI:C, 8386:INI:K]

N. Rajasthan Cabinet Re-shuffle: In a re-shuffle of the Rajasthan Cabinet, announced in Jaipur on April 21, the Harijan Minister, Mr. Amritlal Yadav, who was shorn of his portfolios of Transport and Village Industries a month earlier, was made Minister for Co-operation.

The departments of five Ministers were re-allocated.

Mr. Shiv Charan Mathur, Power Minister, got back the Education portfolio in exchange for Power which was transferred to the Law Minister, Mr. Barkatullah Khan.

Mr. Shobha Ram, Agriculture Minister, was given the colonization Department and Co-operation taken away from him.

Mr. R. P. Laddha, Irrigation Minister, who held charge of the Transport Department temporarily, was given this Department permanently.

The following are the portfolios allocated to these Ministers:

Mr. Barkatullah Khan—Power, Law and Judiciary, Vidhan Sabha, Wakf, Linguistic Minorities and Jails.

Mr. Shivcharan Mathur—Education.

Mr. Amrit Lal Yadav—Co-operation.

Mr. Shobha Ram—Agriculture and Colonization.

Mr. R. P. Laddha—Irrigation and Transport.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8711:INI:U]

O. Madhya Pradesh Cabinet Expansion: The strength of the Congress Ministry of Madhya Pradesh rose from 36 to 39 on April 11 with the swearing-in of three Parliamentary Secretaries by the Chief Minister, Mr. Shyam Charan Shukla.

The three Parliamentary Secretaries were Mr. Laxman Singh, Mr. Sita Ram Sabho and Mr. Ram Pratap Singh.

On April 23, Mr. Fatehsingh Wadisva was sworn-in as a Parliamentary Secretary.

With his inclusion, the four-tier Council of Ministers was expanded to a 40-member team—15 of Cabinet rank, 17 Ministers of State, four Deputy Ministers and four Parliamentary Secretaries.

(**The Times of India,** New Delhi)

[Prev. ref. 8771:INI:S]

P. Plane Crash: An Indian Airlines Fokker Friendship plane with 44 people on board crashed in flames at Dumaria, near Khulna in East Pakistan on April 21. There was no survivor.

The plane was on its way from Silchar to Calcutta via Agartala. The crash victims consisted of 40 passengers, including a baby, a pilot, a co-pilot, a steward and an air hostess.

The bodies of the victims were brought to Calcutta by road. The authorities announced that relatives to the victims could fly to Calcutta free of cost to identify the bodies.

The plane crash occurred at Beelpagla, 11 km from Khulna, where the aircraft plunged into a marsh.

Later, a message from Pakistan International Airways reached Dum Dum saying that a Fokker Friendship plane had crashed at a place between Khulna and Daulatpur at about 8-25 p.m. An aircraft had been seen in flames somewhere between Khulna and Daulatpur earlier.

[The last IAC plane crash in the eastern region was 13 years ago, in a tea estate in Hailakandi in Assam. The owner of that tea garden, Mr. R. S. Baulka, was among the victims of the latest tragedy. He had boarded the plane at Silchar.]

(**The Statesman,** Calcutta)

[Prev. ref. 8274:INI:Y]

Q. Population Forecast: India's population in 2000 AD will be 870 million, if the tempo of family planning programmes is fully sustained.

This is on the assumption that population growth will be brought down to 1.7 per cent by 1980-81 to an average of 1.2 per cent in the subsequent 20 years.

If the present rate of growth continues unchecked, the country's population will be nearly 1,170 million by 2000 AD.

During the Fourth Plan, population growth is expected to be at the rate of around 2.5 per cent.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 7106:INI:T]

ISRAEL

A. King Hussein's Six-Point Peace Plan For West Asia: King Hussein of Jordan proposed on April 10 in Washington a six-point peace plan for West Asia, which, he said, had the support of President G. A. Nasser, specifically guaranteeing Israel freedom of navigation through the Suez Canal and the Gulf of Aqaba and respect for Israel's territorial integrity and sovereignty.

The plan, which was unfolded in a speech prepared for delivery to the National Press Club, also emphasized Jordan's support for the current efforts by the Big Four Powers to find a solution to the West Asia dispute.

He said: "It is probably true that a major war is not imminent, but it is equally true that if events continue on their present course, without a settlement, a war is unquestionably inevitable."

King Hussein said that as recently as three weeks ago he had been given President Nasser's personal authority to speak on his behalf.

Most of the six-point plan followed the lines of the UN Security Council resolution of November 22, 1967. But it included "guaranteeing for all the freedom of navigation through the Gulf of Aqaba and the Suez Canal."

[The UN Council resolution had spoken only of freedom of navigation through "international waterways", leaving open a possible claim by UAR and other Arab nations that the Canal and the narrow Gulf were not international.]

The six-point plan, in accordance with the UN resolution, also called for an end to all belligerency, respect for and acknowledgment of the sovereignty, territorial integrity and political independence of all States in the area, and recognition of the right to live in peace within secure and recognized boundaries free from threats and acts of war.

He said that a peace programme should include guaranteeing the territorial inviolability of all States in the area through whatever measures necessary, including establishment of demilitarized zones and a just settlement of the refugee problem.

In return, he said, "our sole demand upon Israel is the withdrawal of its armed forces from all territories occupied in the June, 1967 war and the implementation of all the other provisions of the Security Council resolution of November 22, 1967. "Israel might either have peace in West Asia or territory, but it can never have both."

He appealed to Americans to be ""even-handed in your support of the two sides and to be even-minded in your thinking of the problems that confront us." Neither the Arab States, nor Israel, wanted a peace imposed upon the area by the Great Powers. "However, I continue to be suspicious of Israel's objection to their getting together to discuss the problem."

Israel Rejects Plan:

Next day (April 11), Israel rejected at least unofficially King Hussein's six-point proposal, viewing it as a mere "propaganda manoeuvre."

Well-informed sources said that Israel did not see in it any genuine desire on the Arabs' part to achieve peace with Israel.

The Foreign Ministry declined to comment on it.

The Israeli Prime Minister, Mrs. Golda Meir, accused King Hussein of not seeking a "real peace but a return to the situation prevailing in the region before the last war."

She said in a statement on the King's six-point peace plan that she was "astonished that there are politicians in the world naive enough to believe that the Arab leaders have a genuine will for peace."

She was again pessimistic about the prospects of the Big Four talks on West Asia because of the division of interests—Britain and USA for Israel and France and the Soviet Union for the Arabs.

On April 13, the Israeli Foreign Minister, Mr. Abba Eban, offered to negotiate with King Hussein to reach agreement on secure and recognized boundaries between the two countries.

Answering questions relating to the six-point peace plan outlined by the King in Washington, he said: "You cannot get peace by resorting to the position which led to war".

Mr. A. Eban's Call For King Hussein's Clarification:

Israel called on Jordan on April 13 to open direct negotiations on King Hussein's proposals for peace.

But, King Hussein said he was not prepared to talk so long as Israel insisted on negotiating from the frontiers it conquered in the June, 1967 war.

The Israeli Foreign Minister, Mr. Abba Eban, at a news conference in Jerusalem on April 13 called on King Hussein to submit his peace proposals to "our criticism and our inquiry."

Referring to the six-point peace plan outlined by King Hussein in Washington, Mr. Eban said: "If, having decided to make war in June, 1967, you have now decided to make peace, then come to the negotiating table." But he warned that peace could not be dictated and that Israel had no intention of going back to the pre-1967 Armistice lines.

King Hussein, interviewed on American television in New York, said, however, on April 13 that if Israel had accepted the November, 1967 UN resolution on West Asia, as Israel said it had, then it should not have rejected his peace plan.

He said his plan was based on the principles of the UN Security Council resolution of November 22, 1967 which demanded, among other things, withdrawal of Israeli forces from all territories occupied in the six-day war. "If the Israelis continue to say they will hang on to this and that part of the occupied area and Jerusalem and everything else, then what is there to talk about?"

Asked if he would be willing to hold direct talks with Israel if the Israelis withdrew from the occupied areas, he said: "I believe that even before Israeli withdrawal, if the Security Council resolution of November, 1967 was accepted, there would be talks on implementation."

"Direct talks with Israel?"

"I suppose yes, but through the UN and through UN Ambassador (Gunnar) Jarring...

"Not direct talks?"

"Well, I don't know exactly."

President G. A. Nasser Rejects Direct Talks:

President G. A. Nasser of UAR rejected any direct Arab talks with Israel on April 21, but instead called on the Jewish State to accept the package peace deal proposed by King Hussein.

Should Israel accept the package six-point peace plan outlined by King Hussein, she would be granted freedom of navigation through the Suez Canal.

He said in an interview taped in Cairo and televised in USA that peace in West Asia could only come through UN and only after Israel had given up her expansionist demands.

Rejecting the idea of face-to-face negotiations between the Arab States and Israel, he called such an arrangement a ""table of capitulation".

More Fighting:

In the continued fighting in West Asia, according to a Tel Aviv Army announcement, Israeli and UAR gunners exchanged heavy artillery and tank fire across the Suez Canal on April 10.

UAR gunners opened fire on Israeli troops near Ismailia in the north and near port Taufiq at the southern end of the nearly 165 kilometre-long waterway, triggering an exchange of fire. About a dozen shells had been lobbed from Egypt at Israeli troops two hours earlier, but the Israelis did not return the fire.

Israeli and Jordanian forces exchanged fire for 45 minutes in the northern Jordan Valley on April 10.

Arab guerrillas attacked an Israeli army patrol with bazooka fire near the Sea of Galilee early on April 10.

On April 11, UAR guns bombarded Israeli fortifications across the Suez Canal in a two-hour battle along a 20-mile front between Ismailia and Qantara.

The fighting, with artillery and tank guns, was along one of the narrowest stretches of the Canal, where the opposing armies are only a few hundred yards apart.

The UAR claimed it had destroyed three tanks, two armoured vehicles and six trucks in their bombardment of Israeli positions east of the waterway.

It was the fourth clash in as many days and came while all forces on the UAR side were in a state of maximum alert.

An army **communique** said the Israelis suffered large numbers of killed or wounded and that fires were started among their positions in east Qantara. The town was split in two by the Israeli advance to the Canal in June, 1967.

In Tel Aviv, an Israeli military spokesman accused UAR of starting the shelling. He claimed that Israeli forces suffered no casualties.

An Amman spokesman said on April 12 that Israeli troops suffered eight casualties in a three-hour battle in the northern Jordan valley. There were no Jordanian casualties.

On April 14, Israeli and UAR jet-fighters fought a fierce duel above Suez and Port Said shortly before a tank and artillery battle along the Suez Canal. Both sides claimed to have shot down at least one plane.

In Tel Aviv, an Israeli military spokesman said that the Israeli jets had hit an Egyptian MIG-21, which fell on the Egyptian side of the Canal in the region of Suez town. All Israeli planes had returned safely to their bases.

But in Cairo, a UAR Army statement said that one Israeli **Mirage** jet had been shot down near Suez. One of their own planes made an emergency desert landing, but the pilot escaped safely.

Observers in Cairo said it was the first air battle over Port Said, at the northern entrance to the Canal, since shortly after the 1967 June war.

A UAR-Israeli artillery duel that broke out on April 15 across the Suez Canal ended some three hours later following the intervention of UN Observers, according to a military **communique** broadcast by **Cairo Radio.**

The **communique** said that the duel extended along the whole of the Canal and that the Israelis had suffered heavy losses in men and equipment.

In Tel Aviv, an Army spokesman said that Israel and UAR, for the eighth day running, fought an artillery duel across the Suez Canal on April 15 and UN Observers were finding it hard to arrange a cease-fire.

Again, on April 16, a heavy artillery and tank battle roared across the Jordan River cease-fire line after Israeli jets swept into Jordan to strafe and bomb suspected Arab guerrilla positions.

An Israeli Army spokesman accused Jordanian forces of unleashing their cannon at 10-30 a.m. on Israeli positions on Abdullah Bridge, 4.8 km north of the Dead Sea. "We returned the fire in order to silence the sources of the Jordanian fire."

Earlier, on April 16, two Israeli *jets staged a 10-minute assault on guerrilla outposts in the Manshiveh region after the Arabs* were accused of firing on Israeli troops in the Beisan Valley.

A Jordanian military spokesman reported that Jordanian forces destroyed five Israeli tanks during a three-hour clash in the southern Jordan Valley on April 16.

A UAR military spokesman claimed that a special commando unit attacked an Israeli position opposite Ismailia on April 19 and killed and wounded at least 30 Israeli soldiers.

He said that the unit also destroyed armoured cars and ammunition depots in an action in which Israeli tanks took part.

A military spokesman in Tel Aviv described as "pure fantasy" the Cairo report which claimed that 30 Israeli soldiers were killed or wounded in this clash and that Israeli armoured cars were destroyed.

He said that only one Israeli soldier was slightly wounded during the engagement and a military car was damaged.

On April 22, Israeli fighter-bombers knocked out UAR's early warning radar defence system in southern Jordan, according to an Israeli military spokesman. One Israeli plane was shot down and the pilot killed.

The raid, 28 miles inside Jordan, destroyed two radar stations which UAR had been using to pin-point air traffic over southern Israel and the Israeli-UAR border. They replaced radar points which UAR had lost in the Sinai desert during the June, 1967 war.

Military sources in Jerusalem said that the raid was in retaliation for UAR violations of the Cease-Fire Agreement along the Suez Canal.

Amman Radio said it was Israel's heaviest air attack in more than a year.

A senior member of the Israeli General Staff said: "There are still a lot of options open to us, and I think we will make use of them in due time."

Israeli fighter planes attacked a number of areas in Jordan early on April 22 in two strikes two hours apart, a military spokesman announced in Amman.

In the Al-Mazaar area, four soldiers were killed and 16 others wounded. Three civilians were killed and six people, including a soldier, were wounded in the Irbid and Ashtafina areas.

Cairo Radio said that UAR troops again crossed the Suez Canal on the night of April 21, clashing with Israeli defence positions and fighting their way out of Israeli ambushes.

Israeli and UAR forces exchanged artillery and tank fire across the Canal on a 20-mile front from Qantara to Ras el-Esh, south of Port Said, on April 23.

Earlier, an Egyptian commando force killed six Israeli soldiers and captured one during a reconnaissance mission on the Suez Canal's east bank.

U Thant on "Grave Situation":

The UN Secretary-General, U Thant urgently drew the attention of the Security Council on April 22 to the grave situation along the Suez Canal and warned that "a virtual state of active war exists there".

In the wake of daily clashes between Israeli and UAR forces, U Thant took the unusual step of issuing a special report that the cease-fire "has become almost totally ineffective in the Suez sector".

U Thant's statement said that in clashes on 12 successive days, a wide range of weapons were used, including rockets, tank fire and heavy artillery. "The UN military Observers, who are now operating under great danger and difficulty, in each instance exert every effort to bring a quick end to the firing, with varying degrees of success, but no later than the following day firing erupts again. Several UN observation posts had been damaged during recent firings and it was a miracle that nobody (from UN) had yet been killed.

He said that "in the circumstances, it seems to me that the only conclusion to be drawn is that the Security Council cease-fire has become almost totally ineffective in the Suez Canal sector and that a virtual state of active war now exists there."

UN diplomats interpreted the warning by U Thant as a clear call to the "Big Four Powers" to speed up their current efforts to find a peace solution.

U Thant's statement was issued amid new flare-ups between Israeli and Arab forces.

Almost simultaneously, the US State Department called on Israel and the Arab States to halt the rash of clashes on the Suez Canal and elsewhere in the area.

A few hours later, President Richard Nixon himself said he was deeply disturbed and saddened at the growing violence along the Canal.

For several months now, U Thant has been stressing the special responsibility of the Big Four in seeking a settlement of the West Asian question.

UAR Repudiates 1967 Cease-Fire:

On April 23, UAR officially repudiated the UN cease-fire of 1967 and declared it no longer binding on her in view of the Israeli fortifications along the Suez Canal's east bank.

A Government spokesman, Mr. Mohammed Hassan el Zayyat, told a news conference in Cairo that the world "cannot expect us to observe the cease-fire in the face of such fortifications."

He made the statement in a comment on the state of active warfare along the Canal and on a US appeal to all sides to obey the cease-fire.

[The UN cease-fire of 1967 failed to mention anything about withdrawal, but had been adopted under emergency conditions "pending something else".]

He said that UAR was prepared to observe a cease-fire for a month or two but not for "99 years".

British Anxiety:

In London, Britain expressed anxiety that the worsening of the situation in the Suez Canal region and in the Jordan valley might hinder the "Big Four" attempts to settle the conflict.

Commenting on the UN Secretary-General's report to the Security Council, in which he had said the Canal zone situation had virtually reached a state of active war, the British Foreign Office said in a **communique** that it shared U Thant's anxieties.

The **communique** added: "We very much hope that all concerned will take steps to ensure that violation of the cease-fire in these two sectors will now cease. We hope, too, that they will recognize the fact that violation of the cease-fire cannot help, and may positively hinder, the international efforts to bring about a peaceful settlement in the Middle East."

Israel & Jordan Send Letters To Security Council:

On April 21, Israel sent a letter of protest to the UN Security Council against "great violations of the cease-fire" by both regular and irregular Jordanian forces within the previous 24 hours.

An Israeli delegation spokesman said, however, that Israel was not going to complain about the raid by the UAR forces across the Suez Canal on April 21 which, he said, was not as important as UAR would have it believe.

The Israeli Ambassador, Mr. Yosef Tekoah, told the Security Council President, Mr. Padma B. Khatri, of Nepal, that Jordanian artillery had attacked Israeli settlements in the Jordan and Beisan valleys. At least two groups of Jordanian "saboteurs" were intercepted and four of them were killed in one engagement and one in another.

The letter reported ten incidents of alleged Jordanian aggression in the 24-hour period in all, including the battles with saboteurs and the artillery attacks. Israeli casualties were one soldier killed and two wounded.

Jordan dispatched two letters for circulation among members of the UN Security Council on what its Ambassador, Mr. Muhammad El-Farra, described as a "grave and deteriorating situation". He made no request for a Council meeting.

In the second letter, Mr. El-Farra told the Security Council President that the Israelis did not hesitate once again to use most of the destructive weapons in their arsenal. Napalm was used to destroy life and property. Shelling, rocketing, bombing and strafing were indiscriminately used against civilians and their means of livelihood.

Maj.-Gen. M. Dayan On Possible UAR Offensive:

Israel's Defence Minister, Maj-Gen. Moshe Dayan, said on television on April 10 that Egypt might this Summer fight its way across the Suez Canal and invade the Sinai Peninsula.

He said that Egypt's possible attempt across the Canal might result either from political considerations, mistaken military appraisals, or from submission to a wave of political emotions sweeping the Arab world.

Mr. M. H. Heikal's Call:

A portent of the coming battle was a call by the close confidante of President G. A. Nasser, Mr. M. H. Heikal, Editor of **Al Ahram,** for a limited war which he said the Arabs must wage in the near future to dislodge Israeli troops—even by a few kilometres—from occupied territory.

Mr. Heikal did not set any date for this battle, although he said it should come some time around June, 1969 which would mark the second anniversary of the June, 1967 Arab-Israeli war.

Writing in his weekly editorial, he portrayed the battle he had in mind as one in which the Arab armies "would kill between 10,000 and 20,000 Israeli soldiers, wreck three battalions and force a withdrawal from presently occupied positions to even a few kilometres behind."

(**The Times,** London, **The New York Times, Cairo Radio, Jerusalem Post** and **The Hindu,** Madras)

[Prev. ref. 8856:ISR:C]

JORDAN

A. **Trade Protocol With India:** Jordan and India signed in Amman on April 13 a Protocol organizing trade exchange between the two countries for the current year in the context of a Trade Agreement signed in 1961.

The Protocol was signed on behalf of the Indian Government by Mr. S. K. Singh, Director of Foreign Trade. Mr. Ismail al-Armouti, head of the Foreign Trade section in the Economy Ministry, signed for Jordan.

(**Amman Radio** and **The Times of India,** New Delhi)

[Prev. ref. 8240:INI:H, 8284:JOR:B]

KUWAIT

A. **French Military Assistance:** The Lebanese newspaper, **Al Nihar,** reported on January 24 that agreement had been reached during a recent visit of the French Defence Minister, Mr. Pierre Messmer, under which France would construct a maritime fleet for Kuwait, the first unit of which would arrive by 1970.

The fleet would comprise up-to-date marine units suited to operation in Arabian Gulf waters.

According to the newspaper, the Kuwait authorities had informed Mr. Messmer that co-operation in the sphere of petroleum between the two countries would receive due attention and that the concessions would be granted to French petroleum companies some time this year.

Another daily, **Al Kifah,** reported negotiations to be underway between the French Government and several Arab States, particularly Saudi Arabia, Iraq, Kuwait, Jordan and Lebanon, for the supply of French planes and defensive weapons.

Mr. Messmer himself returned to Paris on January 23 after his tour of the Middle East which emphasized France's growing **rapprochement** with the Arab world.

Mr. Messmer's talks with Arab leaders were believed to have centred on French military aid. Saudi Arabia has bought 200 Panhard AML-90 light armoured cars and several hundred light machine-guns from France.

Kuwait was not known to have made any arms deal with France, but it had shown interest, as had Saudi Arabia, in French aircraft and missile-launching motor boats.

The discussions, coming only days after President de Gaulle's total embargo on arms deliveries to Israel, threw light on the growing shift in France's relations with Middle East countries.

(**The Egyptian Mail,** Cairo)

MALAYSIA

A. **Muslim Scholars' Conference:** A national conference of Muslim scholars was held in Kuala Lumpur from March 4 to 7.

The opening conference was attended by more than 400 people including Cabinet Ministers, members of the diplomatic corps and others.

Speaking at the opening session, the Prime Minister, Tengku Abdul Rehman, called on Muslims to "keep abreast with the changing times" and take an active part in economic development. "Economic development is a vital weapon for the progress of this nation and its people".

There were, he said, some Muslim scholars (Ulemas) who discouraged Muslims from taking an active part in economic development as they regarded the seeking of worldly wealth as against the teaching of Islam. Such thinking should be erased from the minds of all Muslims.

He urged Muslims to seek more knowledge in science and technology.

He made it clear that it was not the policy of the Government to hold this conference for political ends

Decisions:

The plenary session confirmed 38 decisions, some of which would be presented to the International Conference of Muslim Nations. One of the decisions was that Muslims could receive eye and heart transplants but would be forbidden to donate the organs for such transplants.

Another decision was that an Islamic Research Centre should be set up to carry out detailed research on the teachings and practices of the religion.

A third decision was that a committee should be formed to study the properties subject to the payment of tithes, and that tithes should be made deductible from income-tax.

The Conference, however, had no definite decision on how the dates for the beginning of the fasting month, Hari Raya Puasa and Hari Raya Haji should be fixed in future. Instead, the plenary session decided that all three opinions expressed by the various State Representatives on the issue be referred to the International Conference of Muslim Nations.

(**The Malayan Times,** Kuala Lumpur)

[Prev. ref. 8808:MAL:E]

B. Promotion Of Agricultural Research—Bill Passed: Parliament passed on February 7 a Government Bill seeking to establish an institution called the Malaysian Agricultural Research and Development Institute (Mardi).

Introducing the Bill, the Minister of Agriculture and Co-operatives, Haji Ghazali Jawi said that a centre like Mardi was very important for the development of the country's economy.

The Institute would carry out research in farming, animal husbandry and fishing industries.

Experimental stations and posts would be established at State levels to provide training.

The Institute would have a board of governors comprising 11 members drawn from the Government and professional people. Scientists and professional people from the agricultural sector would give advice on technical 'know-how.'

Mardi would also work closely with bodies representing farmers and fishermen.

(**The Malayan Times,** Kuala Lumpur)

[Prev. ref. 8695:IND:C]

SINGAPORE

A. **"Watch-man Council" For Bills:** The Government introduced in Parliament in the second week of April legislation providing for appointment of a Council which would be authorized to report adversely to the Speaker on Bills and subsidiary legislation if it thought they either differentiated between racial or religious communities or contained provisions *"inconsistent* with the fundamental liberties of their subject."

The Council, made up of 21 members, will be appointed by the President on the advice of the Cabinet.

The effect of this would be to interpose an examining body between Parliament and Presidential assent. Exercising its functions, the Council could delay the passage of legislation for 30 days and induce amendments unless Parliament confirmed its original version by an affirmative vote of not less than two thirds of its membership.

The Council's interposition would not apply to money Bills nor, significantly, to Bills certified by the Prime Minister to be so urgent that it was not in the public interest to delay enactment.

In the latter case, the Council's examination followed Presidential assent, and no provision was made for adverse opinion beyond simple presentation to Parliament.

According to observers, the new Council would certainly be an improvement on the present situation, where Presidential assent follows directly upon passage in Parliament. To that extent the Government has surrendered something of its power. However, possessing, as it does, all 58 seats in Parliament, it is unlikely ever to fail to gain the two-thirds vote needed, if it so desired, to brush aside any adverse opinion from the Council.

But close reading of the Bill reveals the Council to be something less than a "watch-dog". It is more akin to a watch-man who might raise a muffled alarm.

The Bill prescribes the Council's particular function as "to draw attention. to" any potentially adverse legislation. Beyond drawing attention in its reports, however, the Council is powerless. It does not, in spite of its name, advise the President—except to present to him an annual report of its activities.

Its members are sworn to secrecy. It is not entitled to hear objectors or examine witnesses in regard to any Bill it is considering. Yet any Minister may be authorized by the Prime Minister to take part in the Council's proceedings as a member, but without the right to vote.

The Council may "examine" any written law in force and report an adverse opinion to Parliament. The Bill makes no provision, however, for action such as in the case of new Bills.

Provisions "inconsistent with the fundamental liberties of the subject," upon which the Council may give an opinion are defined in the Bill as those contained in part two of the Constitution of Malaysia as applicable in Singapore. This ought to bring the Council, when constituted, to prompt examination of the new Bill which provides that a person acquitted of a capital charge may be tried a second time.

Specific protection against repeated trials is prescribed in the relevant part of the Malaysian Constitution.

(**The Times,** London)

[Prev. ref. 6733:SGP:A, 7902:SGP:A]

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BURMA

A. Rift In Burmese Communist Party: The Burmese and Chinese Communist Parties confirmed on March 21—five months after the event—that the Chairman of the Burmese Party, Thakin Than Tun, had been murdered by one of his lieutenants in a guerrilla camp in central Burma.

Simultaneously, it was announced from Peking that Thakin Zin, one of the two Vice-Chairmen of the Burmese Communist Party (BCP), had succeeded Thakin Than Tun.

The other Vice-Chairman, Thakin Ba Thein Tin, who had long been in Peking as the leader of the "delegation" of the Central Committee of BCP, expressed his support for the "election" of Thakin Zin as Chairman.

This, according to reports, goes to show that the Chinese leaders had to do a good deal of patchwork before Thakin Zin's appointment as Chairman was accepted by Thakin Ba Thein Tin, who continues as Vice-Chairman.

Thakin Ba Thein Tin said that the "election of Thakin Zin as party Chairman was dictated by the situation and was correct." He added that "Thakin Zin and a Vice-Chairman shall take over the responsibility of leading an armed revolution."

Similarly, in a condolence message sent to the Central Committee of the BCP, the Central Committee of the Chinese Communist Party called upon the members of the Burmese Party and the Burmese people's army "to closely rally round the Central Committee of the Burmese Communist Party under the leadership of Comrades Thakin Zin and Thakin Ba Thein Tin."

The man who murdered Thakin Than Tun was Mr. Maung Mya. In September, 1968 he had fled after this to the nearby army camp at Kywebwe and surrendered to the authorities.

A few weeks before the assassination there had been reports in Rangoon of defections from the Communist leadership. One week before Mr. Maung Mya killed Thakin Than Tun, the Army had claimed that it had attacked the jungle quarters of the Communists. In this attack three leaders were killed and apart from arms and ammunition, diaries of Thakin Than Tun for 1966, 1967 and 1968 were recovered. On the basis of all the seized documents, the Press then published accounts of mutual killing among the Communist leaders. The picture that emerged from these reports substantially accorded with the account later given by Mr. Maung Mya.

The statement, issued by BCP on March 21, confirmed the Army's claim that it had destroyed the Communist headquarters.

(**The Times of India**, New Delhi)

[Prev. ref. 8587:BUR:A]

CEYLON

A. Spurt In Economic Growth Rate: The annual report for 1968 of the Central Bank of Ceylon, released in the third week of April, stated that the Island had achieved a record rate of economic growth in 1968. The increase in real output amounted to 8.3 per cent. In per capita terms, the growth rate was 6.1 per cent.

Real output in agriculture rose by 6.9 per cent. The growth was more marked in construction and manufacturing where the value of real output rose by 27.1 and 7.7 per cent, respectively.

The high growth rate was partly the outcome of stimuli provided by the Government in recent years. The gains in agriculture were, in addition, due to favourable weather conditions.

In agriculture, the output of rice increased to 64.6 million bushels (900,000 long tons) last year from 55.1 million bushels in 1967—an increase of 17.2 per cent. The real value of output of other crops and fishing increased by 4.9 per cent.

In export agriculture, the output of tea, rubber, coconut and other crops rose last year. Tea production, which had declined from 490 million lbs in 1966 to 487 million lbs in 1967, increased to 496 million lbs in 1968. The output of rubber was 328 million lbs—an increase of 12 million lbs over 1967. This was mainly attributed to an increased replanted acreage coming into bearing. At the end of 1968, the total acreage under rubber was worth 572,909 acres, of which 46 per cent had been replanted. The average yield per acre in 1968 was 664 lbs—17 lbs highest than the figure for 1967.

The output of coconut also increased. The net equivalent of exports and domestic consumption increased from 2,416 million in 1967 to 2,601 million in 1968—an increase of 7.7 per cent. Coconut production in 1968 was unaffected by bad weather.

In the manufacturing sector, one of the principal factors which had inhibited growth in the years prior to 1968, seems to have been the inadequacy of imported raw materials due to import restrictions. On account of these restrictions many establishments had been working below full capacity. The raw material situation was considerably eased in May, 1968, with the introduction of the FEEC Scheme under which a large amount of raw materials imports was placed under Open General Licence. The introduction of this scheme led almost immediately to an activization of existing stocks of raw materials, in view of the removal of uncertainty regarding availability of raw materials.

(**The Ceylon High Commission**, New Delhi)

[Prev. ref. 8383:CEY:A]

B. West German Aid: It was officially announced in Colombo in the third week of April that West Germany would make capital aid valued at DM25 million ($6.25 million) available to Ceylon in 1969.

Of this amount, DM10 million will be in commodity aid and DM15 million in project aid.

In addition, West Germany will deliver 15,000 tons of wheat valued at DM3.7 million in 1969 within the frame-work of the EEC food aid programme.

(**The Hindu**, Madras)

[Prev. ref. 8871:CEY:A]

CHINA

A. Ninth Party Congress Opens: The long-delayed Ninth Congress of the Chinese Communist Party opened in Peking on April 1. According to the New China News Agency (NCNA) 1,512 delegates attended the Congress.

A **communique** made public on April 14 said that the Congress approved a political report submitted by the Vice-Chairman and Defence Minister, Marshal Lin Piao.

It also unanimously elected Mr. Mao Tse-tung as Chairman of the Presidium, approved Marshal Lin Piao as his chosen successor and named Mr. Chou En-lai the Congress Secretary-General.

NCNA reported that 400 million Chinese celebrated the Congress opening, 10 million of them in Shanghai alone. Messages of congratulations were reportedly received from all parts of the world.

The Ninth Congress, only the second held since the Communists won control of China, was at least eight years overdue (the Party constitution calls for a convention every five years.)

Leadership Line-up:

The leadership line-up as announced in the opening **communique** *was basically unchanged since last Fall. Among the top 14 were most of the Maoist Cultural Revolution leaders, including the wives of both Mr. Mao Tse-tung and Marshal Lin Piao.*

Of the 176 announced Presidium members, approximately one-third were from the military—an increase from the 20 per cent represented at the last Congress. Eleven of 13 military region commanders were listed on the Presidium.

Not present were the leading targets of the Cultural Revolution—former Chief of State Liu Shao-ch'i, Peking's Ex-Mayor Peng Chen, former General Secretary of the Central Committee Teng Hsiao-p'ing and purged Army Chief of Staff Lo Jui-ch'ing—plus various provincial Maoist "enemies."

However, among the participants were a number of Party veterans who were criticized during the Cultural Revolution. They included the Foreign Minister, Marshal Chen Yi and Marshal Nieh Jung-chen, Chairman of the State Scientific and Technological Commission and manager of China's nuclear programme.

Among the ten "leading comrades" who reportedly mounted the rostrum with Mr. Mao and Marshal Lin Piao were Marshal Chu Teh and Mr. Tung Pi-wu. Mr. Tung is one of the three surviving founders of the Chinese Communist Party. The other two are Mr. Mao and Mr. Chang Kuo-t'ao. Mr. Chang broke with Mr. Mao in 1935, lived in Hong Kong for many years and moved to Canada late in 1968.

Previous Congresses:

Whereas the 1956 Congress was noteworthy for the widespread formal election of delegates from lower Party units, this time the delegates were "chosen through full democratic consultation by Party organizations at various levels and after extensively seeking the opinion of the broad masses."

But much happened in China during the 13 years between the Eighth and Ninth Congresses — particularly the Cultural Revolution which was apparently launched, among other reasons, to bring down his opponents.

The Eighth Congress (September, 1956) was attended by 1,021 delegates chosen on a geographic basis weighed in favour of urban areas. It expunged Mr. Mao's "thought" from the Party constitution which had been adopted 11 years earlier at the Seventh Congress.

Mr. Liu Shao-chi's speech to the Eighth Congress had significantly avoided all references to Mao-thought, indicated that Mr. Mao's guerrilla warfare ideas were outmoded and unnecessary, and emphasized that China's economy should be built on a gradual basis. His approach to domestic issues was the antithesis of Mr. Mao's drastic Great Leap Forward campaign.

The then Party General Secretary, Mr. Teng Hsiao-p'ing — one of many subsequent Cultural Revolution victims — had dwelt at length on the dangers of the personality cult, already an indulgence of the Maoists.

The Eighth Congress had concluded that the early period of the Chinese revolution and mass struggle had ended and that a new period of more orderly and regular procedures should begin. All of this was vigorously undone during the Cultural Revolution.

Mr. Mao's control of the Party was first legalized by the Seventh National Congress which met in Yenan from April 23 to June 11, 1945. It heard his report "On Coalition Government" in which he pointed out that the only way out of the Communists' problems at that time was a coalition government with the Nationalist Government. Negotiations towards that end later failed.

There were reportedly 547 delegates and 208 alternate delegates at the Seventh Congress in Yenan. They elected Mr. Mao Party Chairman; his domination of the Seventh Congress had been insured by a "Party rectification" campaign carried out between 1942 and 1944. A Central Committee of 44 regular and 33 alternate members was elected. A Party line was formulated and the Party constitution was revised "to follow Mr. Mao Tse-tung's thought as well as Marxism, for guidance in all work for the Chinese Communist Party."

The first six Party Congresses were all held prior to 1929 and before Mr. Mao had gained a dominant position.

The First Congress opened in Shanghai on July 1, 1921 and lasted five days. The 12 delegates, representing 57 Party members, were forced to adjourn to a hired boat on South Lake in Chekiang Province for security reasons. Representatives of the Communist International attended this Congress which elected Mr. Ch'en Tu-hsiu—**in absentia**—as Chairman. This Congress formally established the Party and discussed tasks, organization and structure. It stipulated that the Chinese Communist Party must become a disciplined fighting force on the lines of the Bolshevik Party of USSR.

The Second Congress, also held in Shanghai in July, 1922, was attended by between 12 and 20 delegates (available sources disagree) representing 123 Party members. That Congress discussed such matters as the Chinese revolution, anti-warlordism, labour reform and decided to join the Communist International. Mr. Ch'en Tu-hsiu was elected Politburo Chairman.

The Third Congress, in June, 1923, saw the election of Mr. Mao to the Central Executive Committee. Mr. Ch'en Tu-hsiu, as Politburo Chairman, remained the top man. Some 30 delegates reportedly attended the Congress in Canton.

The Fourth Congress met in Shanghai on January 22, 1925, reportedly attended by 70 delegates representing some 1,000 Party members. Mr. Mao did not attend. The Congress discussed the role of the working class in national revolution, amended the Party constitution and adopted resolutions concerning labour, peasants, women's rights and youth movements.

The Fifth Congress met in Hankow from April until May of 1927, 15 days after the Communists had been sharply suppressed in Shanghai and other cities by the KMT leader, Gen. Chiang Kai-shek. Some 100 delegates reportedly attended, representing about 60,000 Party members. Mr. Mao was there but, reportedly because of opposition from the Party leader, Mr. Ch'en Tu-hsiu, did not speak nor vote.

Mr. Ch'en was elected Secretary-General of the Central Committee. (Mr. Ch'en was replaced three months later, was expelled from the Party in 1929 and died near Chungkiang on May 28, 1942). Mr. Chou En-lai emerged at this 1927 Congress as a Central Committee and Politburo member and secretary of the Revolutionary Military Committee.

The Sixth Congress was **held in** Moscow between July and September, 1928 with 100 delegates attending. Although Mr. Mao was re-elected to the Central Committee, he was absent, leading guerrillas in the mountainous region between Hunan and Kiangsi provinces. Mr. Hsiang Chung-fa was elected Secretary-General. Mr. Chou En-lai attended and became head of the Organization Bureau. Mr. Liu Shao-ch'i, who was absent, was named head of the Labour Bureau.

The Communique:

The **communique** on the Ninth Congress, made public on April 14, was the first public announcement on the Congress since it began.

Peking Radio gave a few details of Mr. Mao's unpublished speech at the opening of the Congress. He was quoted as saying that "we hope this Congress will be one of unity and victory. After this Congress we hope we shall win still greater victories."

The **NCNA** said that the unanimous votes on the Party constitution and on Marshal Lin Piao's report were greeted by loud ovations and shouts of "Long live the great proletarian Cultural Revolution", "Long live the Communist Party of China", "Long live the invincible thought of Mao Tse-tung" and "Ten thousand lives to Chairman Mao".

During the debates, delegates said that the Ninth Congress had emerged as a great victory after 48 years of heroic struggles. This great victory had exposed the complete failure of the Right-wing and Left-wing opportunism of Mr. Chen Tu-hsiu, Mr. Wang Ming, and others who had greatly harmed the Chinese revolution. They said that the Party was more united than ever after overthrowing the bourgeois headquarters led by Mr. Liu Shao-chi.

The Congress instructed the secretariat of the Presidium to publish the texts of Marshal Lin Piao's report and of the Party statutes after incorporating amendments to these texts. **NCNA** said that the party statutes would provide "a brilliant demonstration of democratic centralism and the mass line of the Party."

Top Men Of Presidium:

Meanwhile, the following are the top 24 names of the 176-member Presidium of the Ninth Party Congress as announced by Peking:

Mr. Mao Tse-tung—Chairman of Party; one of three surviving Party founders.

Marshal Lin Piao—Vice-Chairman; Vice-Premier; Minister of National Defence; Vice-Chairman of Military Commission.

Mr. Chou En-lai—Premier; adviser to the Cultural Revolution group (CRG).

Mr. Ch'en Po-ta — Politburo member; Head of CRG.

Mme. Chiang Ch'ing—Mr. Mao's wife; deputy of CRG; adviser to Army CRG.

Mr. Chang Ch'un-ch'iao—Deputy Head of CRG; leading member of Shanghai Municipal Revolutionary Committee.

Mr. Yao Wen-yuan—Member CRG; propagandist; (rumoured as Mr. Mao's son-in-law).

Mr. Hsieh Fu-chih—Alternate member Politburo; Chairman, Peking Municipal Revolutionary Committee; member of Military Commission, Minister of Public Security; Deputy Head of Army CRG.

Mr. Huang Yung-sheng—Member of Central Committee; Chief of Army General Staff.

Mr. Wu Fa-hsien—Deputy Chief of Army General Staff; Commander of Air Force.

Mme. Yeh Ch'un—Marshal Lin Piao's wife; Director, Office of Marshal Lin Piao, member of Army CRG; member of Military Commission.

Mr. Wang Tung-hsing—Director of Central Committee Staff Office.

Mr. Wen Yu-ch'eng—Deputy Chief, Army General Staff; Commander of Peking Garrison Command.

Mr. Tung Pi-wu—Member of Politburo; Vice-Chairman; a Party founder.

Marshal Liu Po-ch'eng—Member of Politburo.

Marshal Chu Teh—Member of Politburo.

Mr. Ch'en Yun—Member of Politburo.

Mr. Li Fu-ch'un—Member of Politburo; Vice-Premier; Minister of State Planning Commission.

Marshal Ch'en Yi—Member of Politburo; Vice-Premier; Foreign Minister.

Mr. Li Hsien-nien—Member of Politburo; Vice-Premier; Minister of Finance.

Marshal Hsu Hsiang-ch'ien—Member of Politburo; Vice-Chairman, Military Commission; Head of Army CRG.

Marshal Nieh Jung-chen—Member of Politburo; Vice-Premier; Vice-Chairman, Military Commission; Head of Scientific and Technological Commission for National Defence.

Marshal Yeh Chien-ying—Member of Politburo; member of Military Commission.

Soviet Criticism:

Meanwhile, a commentary by Mr. Boris Kuznetsov broadcast by **Moscow Radio** said that the Ninth Party Congress in Peking was the secret funeral of the Chinese Communist Party.

The commentary said that Mr. Mao Tse-tung was keeping a stubborn silence over what was going on at the Congress which was "probably now taking place behind the deaf walls of the forbidden city (palace). All this bears witness to the fact that Maoists have staged a parody of a Congress and are genuinely afraid of publicity."

He said that some Peking shop windows were decorated with two dates—1921 and 1969—the years of convocation of the First and Ninth Congresses of the Chinese Communist Party, and added: "In Peking, they are saying ironically that these dates denote the period of existence of the Chinese Communist Party, since after the present so-called Congress it will cease its activity. The current Maoist rally is by its nature the secret funeral of the Chinese Communist Party."

Mr. Kuznetsov continued: ". . . . The recent period (in China) has been one of liquidation of the Chinese Communist Party as a Marxist-Leninist party."

He charged that Mr. Mao Tse-tung's group had subordinated all its actions to this aim: "to create a new organization which would include only those who have proved their blind faith in Mao and their dog-like devotion to his adventurist policy."

(**The Times**, London, **China Reporting Service**, Hong Kong and **The Times of India**, Bombay)

[Prev. ref. 8787:CHI:A]

B. **Hungarian Newsman Expelled:** Mr. Karoly Patak, Peking correspondent of the Hungarian news agency **MTI**, was on April 21 ordered to leave China within three days.

Mr. Patak said he had been told by the Foreign Ministry Press Bureau that his work permit would not be renewed and that he was being asked to leave China because of disparaging references to the country in his despatches.

He was accused of having attacked the Ninth Congress of the Communist Party, Mr. Mao Tse-tung, Marshal Lin Piao, and other leaders.

Mr. Patak (38) had been in China since April, 1968, and worked as correspondent for the Hungarian daily **Nepszabadsag** as well as **MTI**.

(**The Times**, London)

INDIA

A. **Fourth Five-Year Plan Draft:** The much delayed draft of the Fourth Five-Year Plan (1969-74) was placed on the table of the Lok Sabha on April 21.

The 350-page document, on which the Planning Commission had worked for over a year, spells out the approach, policy and outline of the Fourth Plan which, incidentally, *was supposed to have gone into operation on April 1, 1969.*

The outlays, according to the Commission, are "modest" but even with these outlays, it is hoped that the tempo of economic activity will be stepped up significantly in the initial years of the Plan. If the performance is better, the Plan outlays in later years could be larger than provided for now.

Thus, the Commission has not abandoned the idea of a bigger Plan, which has been the demand of a section of the Cabinet and the ruling party for achieving a higher rate of growth than that of 5.5 per cent envisaged in the draft document.

The prospect (of a bigger Plan) depends essentially on the extent of internal effort made in saving and investment and on the operational efficiency and economic discipline displayed by official and non-official agencies and establishments. In this context, the Commission has laid special emphasis on toning up the public sector.

With the existing constraints, the draft Plan says, only limited increase in public sector industrial activity has been proposed. The resources position has not improved; increasing the efficiency and profitability of public enterprises becomes thus an urgent necessity.

Of the total outlay of Rs. 24,398 crores envisaged for the Fourth Plan, the public sector outlay will amount to Rs. 14,398 crores, while the investment in the private sector is anticipated to be Rs. 10,000 crores. In the public sector, Rs. 12,252 crores has been provided for investment and Rs. 2,146 crores for current outlay. The total investment for the creation of productive assets will thus aggregate to Rs. 22,252 crores.

Of the total public sector outlay, Rs. 7,207 crores will be the outlay on Central schemes, Rs. 727 crores for Centrally-sponsored schemes, Rs. 6,066 crores in the States and Rs. 398 crores in the Union Territories.

The main aim of the Fourth Plan is to "accelerate the tempo of development in conditions of stability and reduced uncertainties." It is proposed to introduce safeguards against the fluctuations of agricultural production as well as uncertainties of foreign aid in the Plan period.

Together with programmes for increased agricultural production, the draft Plan provides for the building of sizeable buffer stocks to even out the supplies of foodgrains and other measures to stabilize foodgrain prices and the price level in general.

In regard to financing of the Plan, emphasis is being placed on additional mobilization of internal resources in a manner which will not give rise to inflationary pressures. The outlays on the Plan are proposed to be closely related to the possibility of raising resources in a non-inflationary way.

National self-reliance and growth with stability can be attended only if an additional effort is made at every level. Dependence on foreign aid will be greatly reduced in the course of the Plan. It is planned to do away with PL 480 imports at the end of the next two years. Foreign aid, minus debt charges and interest, will be reduced to about half by the end of the Plan compared to the current level.

Planned increases in production of foodgrains, raw materials and manufactured goods are calculated to make it possible to limit the growth of other imports to "manageable proportions." A sustained increase of exports by about seven per cent a year is another essential element of the Plan strategy to secure a balance on foreign account and approach speedily towards the goal of self-reliance. The idea is to maintain this rate of increase in exports in the Fifth Plan as well as to totally eliminate dependence on foreign aid by 1980-81.

The document lists the series of difficulties faced by the economy from the middle of the Third Plan onwards, but also enumerates the failures of Plan implementation in the past and their consequences.

Despite larger outlays, it points out, actual developments have fallen short of targets. In many key sectors, delays in construction, revision of cost estimates and the failure to utilize capacity fully have added to the difficulties.

Many of the projects undertaken in the public sector represent new and complex ventures and to an extent, initial difficulties are to be expected. But, even after allowing for this, the fact remains that the concern for speed, economy and efficiency has not been as pervasive as it ought to be. The public sector has the responsibility to set much higher standards of performance and it has yet to fulfil its role of generating adequate surpluses for investment.

As regards the organized private sector, there is an admission of a dilemma in the minds of the planners. The Plan document concedes that the largest corporate groups are the most advantageously placed to seek and obtain foreign collaboration and to expand or initiate a number of large and new activities. Therefore, acting through them may appear the "easiest and quickest way of industrial development." But, in the process, there is inevitably an increase in concentration of economic power.

The draft, therefore, says that it is clearly necessary to formulate and define firmly a policy in this matter which will seek "a reconciliation" between immediate gains and the declared long-term social objective of State policy of reducing social inequalities. While large corporate enterprises would have ample scope for taking up new ventures in technologically challenging fields, there is no reason to think that deliberate encouragement of wide dispersal of entrepreneurship and resources would have a retarding effect on development in the long term.

The draft makes it clear that a major part of the public outlays will have to be directed not towards welfare activity but towards strengthening the economic base of the weaker units; and more finance must be made available for this purpose in the Plan.

In the field of education, it merely proposes to make an attempt to fulfil the constitutional directive regarding the provision of free and compulsory education up to the age of 14 to the extent the resources of the States permit.

Prime Minister's Note:

The Prime Minister, Mrs. Indira Gandhi, tabled the draft along with a Note giving a brief **resume** of what transpired at the National Development Council.

She said that it was the Government's "earnest hope that the draft Plan will be discussed, in all its aspects, both in Parliament and in the country. The trend of the ensuing debate will be carefully noted by the Planning Commission and the Government."

The Note referred to the "general agreement" at the National Development Council that the outlay for the State sector should be enlarged and said that the Planning Commission would make "a re-assessment of resources on the basis of the report of the Finance Commission. After this report, the re-scheduling or rationalization of the liability of the States for re-payment of debts during the Plan period will also be considered.

"The Planning Commission will make the necessary recommendations regarding the adjustments that might be necessary, after further discussions with the State Governments and the Central Ministries.

"It is hoped that the Planning Commission will be able to report again to the National Development Council some time later this year."

The Note added that the draft Plan was approved by a majority in the National Development Council. It did not specify who expressed dissent, although it was known that Kerala and West Bengal did so.

It recalled the decision taken in December, 1967 by NDC to start the Fourth Plan from April 1, 1969 and said that after detailed discussions by the Planning Commission with the State Governments, Central Ministries and others, the draft Plan, as it emerged, was placed before the NDC meeting held in New Delhi on April 19 and 20.

Approach To Plan:

It says that the objective of national planning in India is not only to raise the national income or the **per capita** income but also to ensure that the benefit is evenly distributed, that disparities in income and living are not widened but in fact narrowed, and that the process of economic development does not lead to social tensions endangering the fabric of the democratic society.

This is the conclusive observation made in an exposition of the approach and policy to the Fourth Five-Year Plan for 1969-74.

These objectives can be achieved in part by seeing that, in the implementation of the programmes, the weakest are looked after first, and the benefits of development are made to flow by planned investment in the under-developed regions and among the more backward sections of the community. In part, this will be the result of purposeful policy decisions effectively pursued. Fiscal and other policies should prevent concentration of wealth, check ostentatious consumption and promote savings.

The programmes and policies of public financial and other institutions should ensure wider dispersal of benefits. Reforms in the educational system should help the growth of initiative and enterprise, make for horizontal and vertical mobility, open up wider opportunities for employment and enable the lowering of caste, class and regional barriers so that a purposeful change towards an egalitarian society can be brought about. In the last analysis, planned economic development should result in a more even distribution of benefits, a fuller life for an increasingly large number of people, and the building up of a strong integrated democratic nation.

Rapid economic development which is oriented towards establishing social justice must involve re-fashioning of socio-economic institutions. In part, the social objectives will be the end result of economic development, but, in a large measure, their realization will depend on how the course of development is charted and to what extent an appropriate structure of socio-economic institutions is evolved and operated.

The strengthening of democracy in its social and economic aspect has to be attained through this re-fashioning. It means that major economic decisions and decisions regarding socio-economic relationships will be made by agencies informed with social purpose, that there will be a devolution of functions and that were will be scope for experimentation. Democratic values are given effect to by encouraging the growth of a feeling of participation on the part of the small man, the promotion of enterprise among the disadvantaged classes and the creation of a sense of involvement in the transformation of society among all sections of the community.

The broad objectives of planning could thus be defined as rapid economic development accompanied by continuous progress towards equality and social justice and the establishment of a social and economic democracy.

The Plan document states that the process of development might lead, in the absence of purposive intervention by the State, to greater concentration of wealth and income, overgrowth of metropolitan centres and uneven regional development, technological unemployment and rural under-employment. Therefore, the attainment of objectives of equality and social justice requires more comprehensive planning and greater command of the Government over resources than has been attempted so far. Preventing increase in concentration of economic power is a part of this problem.

PLAN OUTLAYS:

Estimates Of Imports & Exports:

The projected value of imports in 1980-81 will be Rs. 2,809 crores, as compared with Rs. 2,550 crores in 1978-79 and Rs. 2,030 crores in 1973-74. The value of imports in 1967-68 was Rs. 2,059 crores.

The annual growth rate of export earnings in 1968-69 to 1980-81 will be of the order of seven per cent. The corresponding growth rates for the group of commodities during this period will be:

Group of commodities	**Annual rate of growth (%) 1968-69 to 1980-81**
Agriculture and allied products	6.6
Tea	2.5
All other products	8.5
Minerals	7.7
Iron-ore	9.4
Manufactures	7.3
Cotton textiles and jute manufactures	2.8
All other manufactures	9.5
Other exports—unspecified	5.6
Total exports	7.0

An analysis of exports and imports in the years 1978-79 to 1980-81 shows that the unfavourable balance of trade in 1968-69 will be reduced to nominal level in 1973-74, while in 1978-79 and in 1980-81 there will be a small favourable balance.

PUBLIC & PRIVATE SECTORS:

A total outlay of Rs. 24,398 crores is envisaged for the Fourth Plan. Of this, the public sector outlay will amount to Rs. 14,398 crores; while the investment in the private sector is anticipated to be Rs. 10,000 crores. In the public sector, Rs. 12,252 crores has been provided for investment and Rs. 2,146 crores for current outlay. The total investment for the creation of productive assets aggregates to Rs. 22,252 crores.

The total public sector outlay of Rs. 14,398 crores in the Fourth Plan includes Rs. 7,207 crores as outlay on Central schemes, Rs. 727 crores for the Centrally-sponsored schemes, Rs. 6,066 crores for the States and Rs. 398 crores for Union Territories.

The distribution of public sector outlays under major heads of development is as follows: (Rs. crores) agriculture and allied sectors (2217.5); power (2084.5); industry and minerals (3089.9); transport and communications (3165.1).

The following is a table showing outlay and investment in the Plan:

Head of development	Public Sector	Private Sector	Total Outlay
Agriculture and allied sectors	2217	1800	4017
Irrigation and flood control	964	—	964
Power	2085	50	2135
Village and small industries	295	500	795
Industry and minerals	3090	2150	5240
Transport and communications	3173	1010	4183
Education	802	50	852
Scientific research	134	—	134
Health	437	—	437
Family planning	300	—	300
Water supply and sanitation	339	—	339
Housing and urban development	171	2680	2851
Welfare of backward classes	134	—	134
Social welfare	37	—	37
Labour welfare and craftsmen training	37	—	37
Other programmes	183	—	183
Inventories	—	1760	1760
Total	14398	10000	24398

Industrial Development:

The industrial programmes and and policies for the Plan have been conceived keeping in view the need to correct imbalances in the industrial structure and to bring about conditions within which the maximum utilization of capacity already built up is achieved.

At the same time, conditions have to be brought about for a vigorous growth in industrial output and capacity without any undue burden on balance of payments.

According to it, the objectives of investments in the industrial fields are: (1) completing investment in relation to which commitments have already been made; (2) increasing existing capacities to levels required for present or future developments, in particular, providing for more adequate internal supplies of essentials in increasing demand or needed by import substitution or for export promotion; and (3) taking advantage of internal developments or availabilities to build new industries or new bases for industries. Policy in making these investments and otherwise, will be directed towards canalization of capital and personnel resources in such a way as to achieve as widespread an industrialization of the country as possible and to encourage the emergence of new entrepreneurship and greater dispersal in the ownership and control of industries.

The Industrial Policy Resolution of 1956 will continue to govern industrial development. This policy provides for a flexible approach in the development of industries within the public, private and co-operative sectors. The programmes in the public sector are related to high-priority fields to fill the gaps in the industrial structure. Expensive industries in which required development could be ordinarily expected to take place in the co-operative or private sector is not envisaged in the public sectors.

Both from the point of view of accelerating industrial development and improving administrative efficiency, the existing system of controls would need a review. The primary purpose of control is to ensure proper allocation of scarce resources. Regulation of industrial development has to be considered primarily in relation to the allocation of foreign exchange. Thus, import control and control on commodities in short supply would have to continue.

The Industrial Licensing Policy during the Fourth Plan is envisaged as follows:- (1) All basic and strategic industries involving significant investments or foreign exchange should be carefully planned and subjected to industrial licensing; (2) Industries requiring only marginal assistance by way of foreign exchange for capital equipment may be exempted from the need to secure industrial licences; for this purpose, the foreign exchange ceiling may be stipulated at about ten per cent of the total value of the capital equipment; and (3) Industries which do not call for foreign exchange for import of capital equipment or raw materials should be exempted from the requirements of industrial licensing.

It says that the Fourth Plan envisages an investment of approximately Rs. 5,200 crores in organized industry and mining—Rs. 2,800 crores in the public sector and Rs. 2,400 crores in the private and co-operative sectors. The outlay in the public sector would be Rs. 3,090 crores, since it includes a sum of Rs. 250 crores for transfer to private and co-operative sectors through financial institutions and an amount of Rs. 40 crores for supporting plantation programmes which have a bearing on export earnings and for State Industrial Development Corporations.

Of the total outlay of Rs. 3,090 crores in the public sector, Rs. 2,910 crores will be in the Central sector and Rs. 180 crores in States and Union Territories.

The major proportion of the outlay in the public sector is intended for the completion of projects already under implementation and projects on which investment decisions have been taken. New projects are envisaged in high-priority fields like fertilizers, . pesticides, petro-chemicals, non-ferrous metals, and development of iron-ore, pyrites and rock-phosphate resources. New investment in the engineering industries is limited to a few comparatively small projects for filling critical gaps.

Transport:

Transport has a crucial role in economic development.

A number of regional transport surveys and commodity studies were undertaken to make projects of transport requirements.

The total outlay on transport and communications in the public sector during the Fourth Plan is reckoned at Rs. 3,173 crores, including Rs. 2,650 crores in the Central sector and Rs. 523 crores in the Plans of States and Union Territories.

The distribution of the outlay between different programmes is as follows:

(Rs. crores)

Programme	Fourth Plan				Total
	Centre	Centrally-sponsored schemes	States	Union Territories	
Railways	1050	..	..	..	1050*
Roads	393	25	345	66	829
Road transport	3	..	69	13	85
Ports	167	13	12	3	195
Shipping	130	..	..	1	131
Inland water transport	3	2	2	2	9
Lighthouses	7	..	..	..	7
Farakka Barrage	70	..	..	..	70
Civil air transport	202	..	1	**	203
Tourism	25	..	8	1	34
Communications	520***	..	..	..	520***
Broadcasting	40	..	..	..	40
Total	2610	40	437	86	3173

* includes Rs. 50 crores for projects connected with metropolitan transport

** less than Rs. 50 crores

*** includes expenditure on works financed from Posts and Telegraphs Department's own resources.

Resources:

The estimates of resources for the Fourth Plan, given in the draft Plan, show that aggregate resources of the Centre and the States will be Rs. 11,832 crores and Rs. 2,566 crores respectively, bringing the total resources to Rs. 14,393 crores. At 1968-69 rates of taxation, fare and freights and other services charges, the total budgetary resources of the Centre are estimated at Rs. 9,382 crores and of the States at Rs. 1,457 crores. The additional resource mobilization will be Rs. 1,600 crores at the Centre, net of States' share, and Rs. 1,109 crores in the States.

External assistance for the Fourth Plan, net of debt servicing (inclusion of interest payment), is estimated at Rs. 1,750 crores.

The scale of resources mobilization envisaged in financing the Plan will materialize only if appropriate policy decisions are taken well in time and various development programmes effectively implemented to secure the overall and sectoral rates of growth.

A summary of estimates of resources for the Fourth Plan is given below:

(Rs. Crores)

Item	Centre	State	Total
1	2	3	4
Budgetary resources	6868	1114	7982
Balance from Current revenues	2355	100	2455
Surplus of public enterprises at 1968-69 fares, freights and tariffs	1175	555	1730
Railways	265		265
Others	910	555	1465
Retained profits of Reserve Bank	133	32	165
Small Savings	274	526	800
Annuity deposits, compulsory deposits, prize bonds and gold bonds	(—) 104		(—)104
State Provident Funds	343	297	640
Miscellaneous capital receipts (net)	1942	(—)812	1130
Loans from LIC and State enterprises, market borrowings (gross)	—	343	343
LIC loans to State Governments for housing and water supply	—	96	95
Market borrowings of State enterprises	—	116	116
LIC loans to State enterprises	—	131	131
Budgetary receipts corresponding to external assistance	2514*	..	2514
Other than PL 480	2134		2134
PL 480 assistance	380	..	380
Total budgetary resources	9382	1457	10,839
Additional resource mobilization	1600	1109	2709
Deficit financing	850		850
Aggregate resources	11,832	2566	14,398
Assistance for State Plans	(—)3500	3500	
Net resources—Plan outlay	8332	6066	14,398

* The budgetary receipts are net of loan repayment only, interests payment having been allowed for in calculating the balance from current revenues.

Additional resources for the Fourth Plan are estimated at Rs. 2,700 crores. Of this, the State Governments have indicated their intention to raise about Rs. 1,100 crores. Rs. 1,600 crores are to be mobilized by the Central Government. This figure is net of the States' share of additional taxation ,at the Centre which may amount to Rs. 200 crores. The exact amount will depend upon the type and quantum of fresh taxes levied by the Centre from year to year. No credit has been taken for this amount in the States' resources as it is not clear at this stage if it will constitute a net addition to resources for the State Plans.

Firm estimates of private savings are not available. On a rough calculation, the private sector is expected to generate savings amounting to Rs. 13,900 crores during the Fourth Plan. The household and co-operative sectors will contribute Rs. 12,040 crores and the balance of Rs. 1,860 crores will be contributed by the corporate sector.

The Central and State Governments will draw on this pool of private saving, as much as Rs. 3,930 crores for the public sector Plan. Private savings thus available for private investment would amount to Rs. 9,960 crores. Adding to it the net amount of foreign funds directly flowing to the private sector, the total resources available for private investment would aggregate to Rs. 10,000 crores. The break-up of this total is:

Item	Fourth Plan investment (Rs. crores)
Private savings	13980
Corporate savings	1880
Household and co-operative savings	12040
Central and State Governments draft on private savings	3930
Private savings available for private investment (1-4)	9970
Gross loans and investment from abroad	300
Repayment of foreign loans	300
Total resources available for private investment (5-8)	10000

* Net of loan repayment only. Interest payments have been taken into account under item. . .5.

During the Fourth Five-Year Plan the economy will require total imports valued at about Rs. 9,630 crores. Of this Rs. 7,830 crores will be maintenance imports or imports of raw materials and components required for stepping up the rate of growth of industrial and agricultural production. These include imports of fertilizers, pesticides, crude oil, chemicals, non-ferrous metals, special varieties of steel and component and spare parts of machinery. Another Rs. 1,300 crores will be required to finance project imports or imports of plant and machinery for expansion or creation of additional capacity in selected lines which cannot be met from domestic sources of supply. The balance of Rs. 500 crores would be the cost of food imports during the first two years of the Plan. The estimate of project imports has been built on the assumption that the capital goods requirements for industrial expansion in the public and private sectors will be met by and large out of domestic production and only plants and machinery of more sophisticated kinds, not yet produced within the country, will be imported. With a diversified engineering capacity already built up in the country, it does not appear difficult to realize this objective.

Long-term Perspective:

The draft Plan says that one of the major purposes of having a long-term view of the country's economic development is to quantify the nature and magnitude of the tasks employed in the specified overall objectives.

On the basis of production targets for various sectors, judged after a careful examination to be feasible, the economy can achieve an average annual increase of about 5.5 per cent in total production during the Fourth Plan. However, aggregate income, and even more the **per capita** income likely to be achieved by 1973-74, will be below that visualized for that year in the long-term projections of the Third Five-Year Plan.

The set-backs of the recent past and the relatively slower growth likely in the next five years necessitate a re-assessment of the long-term growth as well. The objective should be, of course, to secure as rapid a development as is possible within the means available. However, the growth out-puts in the Fifth Plan is, to a considerable degree, determined by investments and the preparation for larger investment in the future undertaken between now and 1973-74. A steady acceleration of the growth rate must be aimed at, but it would be unrealistic to postulate a growth rate far in excess of what will be realized in the Fourth Plan.

Furthermore, the goal set for the period beyond 1973-74 must be of a magnitude which can be sustained with reasonable price stability and on the basis of progressive self-reliance. The long-term projections have to be based on a careful assessment of demographic prospects, the feasible growth in agricultural production, mobilization of internal savings, efficiency of investment, growth of exports and imports substitution. Taking all these considerations into account, a reasonable target of growth for the Fifth Plan and up to 1980-81 would be around 6 per cent per annum.

On the above basis, net domestic product (valued at 1967-68 prices) would reach Rs. 582 billion by 1980-81—that is, very nearly double the level attained in 1967-68. Since population would, in the meantime, have risen by about a third, **per capita** income in 1980-81 would be about 55 per cent higher than in 1967-68. With the revised perspective of long-term growth, the Third Plan targets of real income for 1975-76 will be reached only three to four years later.

It points out that the assumption of population growth is an important variable determining the rate of improvement in **per capita** income, and calls for some explanation. According to the Registrar-General's projections which form the basis of the calculations, total population would increase at the rate of around 2.5 per cent during the Fourth Plan; this rate would fall thereafter, reaching 1.7 per cent a year by 1980-81.

If population growth is brought down to 1.7 per cent by 1980-81 and averages 1.2 per cent in the subsequent 20 years, the population in 2000 A.D. (estimated at 870 million) will be 300 million less than what it would be if the present rate of growth continued unchecked.

National Income Projections From 1950-51 To 1980-81:

The long-term projections of growth of national income between 1969-70 and 1980-81 have been adjusted to the estimates of actual growth of national income in the First, Second and Third Five-Year Plans and in the three years of 1966-69.

Thus, in 1980-81, the adjusted projection of national income as shown in the Fourth Five-Year Plan Draft 1969-74 will be Rs. 342,200 crores. For 1973-74, the estimates are Rs. 225,700 crores and in 1967-68 Rs. 165,600 crores.

These adjusted figures are calculated on the basis of revised estimates of actual national income in the base year of each Plan, all reduced to the 1960-61 prices base and applying growth rates implied in projection of the corresponding Plans.

The movement of national income and out-put of agriculture and organized industry during the last eight years show that **per capita** real income in 1965-66 was about the same as it was in 1960-61, as results of the meagre growth rate of national income have been almost completely neutralized by the 2.5 per cent of growth in population.

In 1966-67, following a severe drought, national income registered only a nominal increase of 1.1 per cent. However, the record harvest of 1967-68, making a significant increase in agricultural output, was instrumental in raising national income by nine per cent that year. The estimated national income in 1968-69 has been put provisionally at three per cent higher than in the previous year, the rise in industrial production of six per cent making a contribution to it.

Plan Details:

It consists of 350 pages, with comprehensive tables of contents and indices, spread over 16 pages, for easy reference.

The number of tables in the document is 126. It contains 17 diagrams which visually present data on economic developments since 1960-61 as well as projections for 1973-74, 1978-79 and 1980-81.

It also includes a review of economic progress in the Third Five-Year Plan 1961-66 and in the Annual Plans, 1966-69.

It has 22 chapters. Of these, five on general topics are on approach and policy, long-term perspective, Plan in outline, financing the Plan and implementation.

The remaining chapters are on main heads of development, namely, agriculture, animal husbandry, fisheries and forests, co-operation and community development, food and nutrition, irrigation and flood control, power, village and small industries, industry and minerals, transport and communications, education and man-power, scientific research, health and family planning, regional development, housing and water supply, social welfare, welfare and development of backward classes, labour and employment, and other programmes.

In September, 1967, the Planning Commission was re-constituted. Its present composition is: Mrs. Indira Gandhi, Prime Minister, Chairman; Prof. D.R. Gadgil, Deputy Chairman; and Mr. Morarji R. Desai, Deputy Prime Minister and Finance Minister; Mr. R. Venkataraman, Mr. B. Venkatappiah, Mr. Pitambar Pant and Dr. B.D. Nag Choudhri as Members. Mr. B.D. Pande is Secretary to the Planning Commission.

Dr. D. R. Gadgil's Clarification:

The Deputy Chairman of the Planning Commission, Dr. D. R. Gadgil, told newsmen on April 21 that the Government of India's interpretation of the NDC's directive on the re-assessment of Central and States' Plan was that any changes would have to be only marginal in nature. The respective quantum "may be changed a little here and there—no more".

He said that once the Finance Commission's report was available, the position regarding increases in the States' share of the Central taxes and the re-scheduling of their debts would become clear.

The Planning Commission and the Central Government would then be able to take a total view of the financial resources and make adjustments. The finalized Plan would be published before the end of the year. The States themselves would take a look at their resources at this stage to prepare themselves for the dialogue with the Commission.

On the question of the degree of commitment of various agencies to the basic policies and approach of the Plan draft, he said, the majority approval of the document at the NDC session implied that the Central Government, the Planning Commission and the majority of Chief Ministers had given their approval.

Asked how the majority support for the document was arrived at in the NDC, he said that when it was suggested that the draft be remitted to Parliament, some Chief Ministers said it would have to be done by majority. To his knowledge, only three members of the Council took up this stand.

With regard to the demand for the devolution of certain functions and outlays from the Centre to the States, he said, the actual suggestion was that the Centre need not have large Ministries in fields like agriculture, health and education, the main part of the work being passed on to the States. The Planning Commission was hardly the body to undertake this, but any saving accruing would come to it for allocation.

Asked what were the departures in approach in the Plan draft, he mentioned three: (1) more emphasis on economic stability, typified by the decision to build up buffer-stocks and a closer attention to food management in general; (2) a clear decision to end dependence on foreign aid as a planning goal; and (3) schemes for ending regional imbalances.

One of the important objectives built into the Plan was how to ameliorate the lot of the poor man. Apart from the anti-monopolies legislation pending in Parliament for checking concentration of wealth and restrictive trade practices, the National Credit Council had been asked to pay special attention to the needs of small entrepreneurs in industry and agriculture.

NDC Meeting On Plan:

The National Development Council decided on April 20 that the Draft Fourth Five-Year Plan (1969-74) should be placed before Parliament and the country. While there was some disagreement on the approach to the Plan, there was general agreement that the Planning Commission should re-assess the resources and examine the respective Plans of the Centre and the States to see if Central assistance to the States could be augmented.

It was agreed that the Planning Commission should complete this assessment by September-October, 1969 after the Award of the Finance Commission, when a view would also be possible on the re-scheduling of States' debts to the Centre.

(**PIB, The Times of India** and **The Statesman,** New Delhi)

[Prev. ref. 8072:INI:A, 8771:INI:P]

B. **Indian National Congress—72nd Annual Session:** Addressing the 72nd session of the Indian National Congress in Faridabad (near Delhi) on April 27, its President, Mr. S. Nijalingappa, accused the West Bengal and Kerala Governments of magnifying the Centre-State relations issue beyond all proportions in an attempt to divert public attention from the "real problem facing the people" and said that the demand of the States for increased financial assistance from the Centre could be settled across the table.

Mr. Nijalingappa admitted that the hopes of Congressmen about regaining the party's strength after the mid-term poll had been belied. He, however, rejected suggestions made in certain quarters that the Congress should think of coalition with other parties after the 1972 General Elections.

He said that the trend of success seen in Haryana after the Congress reverses in the 1967 General Elections had not been maintained in the recent mid-term polls in four States. "The idea that the people felt disgusted with the preformance of the United Fronts and would inevitably turn to the Congress has proved fallacious." If the Congress was to re-establish its former image, "there must be a shake-up at the organizational as well as administrative levels."

He deplored linguistic rivalries, communal passions and parochial tendencies in the country and called for a re-dedication, in this Gandhi Centenary Year, to the service of the people. "For the nation's interest is supreme. It must stand above personal or party interest."

He referred to the agitation in Telengana and said that the re-organization of States was done to bring about greater unity and cohesion among the people. "But language has not proved an effective binding force. I have often felt that linguistic States cannot lead to national integration and actually encourage disintegration. We should do away with these linguistic States and re-organize the country on an essentially economic basis."

He referred to the measures proposed by the Central Government to ensure justice to the people of Telengana and said: "I appeal to Congressmen and others in Telengana to realize the dangers of demanding separate Statehood for Telengana. Similar demands would be made all over the country and its unity and integrity would be threatened."

He deprecated communal riots in certain parts of the country last year and said that the National Integration Council had made certain proposals to inspire confidence among the minorities. His own suggestion in this respect was that the composition of the police force in big cosmopolitan areas should fully reflect the composition of the population. This step should be taken so that "the minorities would not feel helpless before the majority community in an emergency."

He expressed "deep pain and consternation at the recent atrocities committed by the Shiv Sena in Bombay." There were heartening events, too. Parliament's decision to grant greater autonomy to the hill districts of Assam brought to an end the long-drawn agitation there. Naga extremists had been isolated and the moderate section was showing readiness to consider a solution to the problem within the frame-work of the Indian Union.

He told the delegates that in the 16 months since his address to them at Hyderabad, many developments had taken place that "cause concern not only to our party but also to the country." He referred to speculation about the situation in the country after the 1972 General Elections if the present anti-Congress trend was not reversed. There would be confusion if the Congress did not secure a majority at the Centre, particularly when there was no other party to take its place, and there would be political adjustments leading to instability. It was the responsibility of Congressmen to avert such a situation.

He deprecated the impression sought to be created by "interested parties" that the Congress was disintegrating and that it should think of coalition with other parties after the 1972 elections. He did not appreciate the approach. If coalitions became inevitable, they could be considered at the appropriate time. The difficulty, however, was to determine the "likeminded parties" with which the Congress could form coalition. The results of the mid-term poll had shown that "while other parties which believe in democracy are not gaining any strength, the Congress has not only retained its strength, but even added to it because of the hard work Congress workers have done among the masses."

He regretted the weakening of discipline in the party as was seen by the levelling of charges against leaders publicly and in Parliament. He felt that when allegations were made against a Congressman by high or low, every attempt should be made by the organization to find out the truth.

Though there was much to be remedied within the Congress, he said, the record of administration by "non-democratic parties" which headed Governments in Kerala and West Bengal was dismal. "There is widespread feeling that people's properties and lives have not been safe in those States." The Kerala and West Bengal Governments had greatly exaggerated the issue of Centre-State relations. The United Front Governments functioning in Tamil Nadu, Orissa and Punjab, and those that had existed before the mid-term poll in UP., Bihar and Madhya Pradesh, had never raised a hue and cry about the issue. What did the Kerala and West Bengal Governments want to do which the Constitution prohibited and which the Central Government impeded? Since they enjoyed comfortable majorities in the State Assemblies they could pass any legislative measure to implement their election pledges. "Why don't they adopt this straightforward course? Or do they fear that extremist policies, if sought to be implemented, would strain the unity of the United Front and create tensions within? So, they resort to extra-constitutional methods, bypassing the administration and ignoring the existing laws of the land. It is this adventure into lawlessness that brings the State Government into clash with the Centre. The Central Government cannot abdicate its responsibility for the preservation of the unity of the country. Subversion to suit foreign interests of any description cannot be tolerated."

The Central Government, he said, should continue to be strong. "A weak Centre would mean disintegration of the country."

Mrs. Indira Gandhi's Views On Public Sector:

A conflicting approach by Mr. S. Nijalingappa and the Prime Minister, Mrs. Indira Gandhi on the role of the public sector was the highlight of the session on April 27.

In his address, Mr. Nijalingappa had deplored the losses in the public sector and their "bad management" and said that "there is a case for reviewing this public sector attempt at establishing large-scale industries."

He had added: "Simply because an industry is in the public sector, it does not mean that we should be saddled with losses and be content with whatever is produced."

Mrs. Gandhi's speech, made within a few minutes of Mr. Nijalingappa's address, was a sharp retort to the observations made by him.

Mrs. Gandhi said that heavy industries had to be set up in the public sector not only because private entrepreneurs were not interested in projects of long gestation periods but also because such large undertakings should not be entrusted to individuals.

In a challenging mood, she asked whether a probe into the affairs of the private sector, which enjoyed immunity from any accountability to the public or Parliament, would lead to flattering conclusions.

She defended the heavy outlays made for the building up of the public sector including defence industries after the Chinese invasion with a view to achieving maximum self-reliance and said that the validity of this decision had been amply demonstrated by the glorious performance of armed forces during the conflict with Pakistan. Without the development of heavy industry, it was not possible for a country like India to make an economic breakthrough.

She also rejected the arguments that heavy industrial units could have been entrusted to the private sector and the resources of the Government deployed in other schemes.

Mr. S. Nijalingappa's Clarification:

Next day (April 28), in his concluding remarks to the session, Mr. Nijalingappa sought to dispel the impression that he was going against the basic policies of the Congress. "'I am a socialist to the core'", he said firmly, "but I am an Indian socialist, not of any other brand".

He denied that he favoured perpetuation of monopolies or the private sector and cited as an example his request for a licence to manufacture cars when he was Chief Minister of Mysore. This was meant to break the monopoly of the car manufacturers and he was certain a car could have been made in his State at the cost of Rs. 8,000 or so. "But I was not given the opportunity".

He also said he had no particular love for the private sector. If the private sector did not behave, the Government could always nationalize industries. But, at the same time, he did not think that large units should be started in the public sector merely to suit Socialist slogans. If they were not profitable or needed—many were working below capacity, he pointed out—they should not be put up.

Motion On Political Situation:

The session ended on April 28 after adopting the only motion placed before it—the report of the panel on the political situation which ruled out coalitions, expressed itself against any amendment of the Constitution for a re-distribution of power between the Centre and the States and rejected suggestions for a polarization of the party on the basis of "right" and "left."

The panel's report had summed up the opinion in the panel thus: "The defeatist talk of the Congress losing its absolute majority at the Centre was deplored". Mr. C. Subramaniam wanted the word "deplored" to be substituted by "criticized."

On the other hand, the committee members, without exception, re-inforced their disapproval of such counsels of despair.

It based its confidence on its optimistic assessment of the Congress performance in the mid-term polls—it agreed with the panel consensus that "the results cannot be interpreted as rejection of the Congress policies and programmes". Similarly, the panel view that attempts to pull the party either to the "right" or "left" would disrupt the party found ready acceptance.

Defections and Centre-State relations were the other important points listed in the report. While endorsing the panel's plea for early implementation of the Defection Committee's report, it sought to commit the Congress to a unilateral resolve not to be soft towards defectors.

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On Centre-State relations, the view to encourage a dialogue between the Centre and States in order to further general welfare was endorsed and so was the qualification in the division of powers and functions incorporated in the Constitution. The Constitution, as it is, is flexible enough to provide a wide scope for such adjustments as may become necessary from time to time.

But such changes, it cautioned, should not be allowed to weaken the Central authority which was essential for the integration, defence and development of the nation. A dialogue with the States, however, should be encouraged, in order to meet the requirements of their economic development and the removal of regional imbalances.

It coined a new phrase—"the politics of commitment"—to reiterate the urgent necessity of implementing the 10-point programme and the land legislation. "It is only by an active implementation of our policies that the Congress party will succeed in strengthening its mass base and spearheading the urges and aspirations of our people."

It referred to the talk of coalition and polarization thus: "The panel took note of the views expressed regarding polarization within the Congress and in the country and the possibility of coalitions. It was of the firm view that the Congress ideology of democratic socialism was the only way in which the nation could make rapid progress, and that any attempt at polarization and splitting the party on the basis of extreme Right or Left ideologies would be a disruptive process and this would not only weaken the party but also hinder the political and economic development of the country. In this context the defeatist talk of the Congress losing its absolute majority at the Centre in 1972 was deplored, and it was felt that the party should make a determined effort to implement its declared policy and programme so that, by strengthening its mass base, it can in fact emerge even stronger after the next General Election."

Reports On Ten-Point Programme: In their reports presented to the Congress Working Committee on April 24, various Central Ministers claimed that they had taken effective steps to implement the Ten-Point Programme—Mr. Morarji Desai in regard to the social control of banks, Mr. B. R. Bhagat about the gradual take-over of the export trade, Mr. Jagjivan Ram about the State trading in grain and tenancy reforms, Mr. Y. B. Chavan on Privy Purses and Mr. Fakhruddin Ali Ahmed on monopolies.

Mr. Desai justified his preference for social control over insurance companies instead of nationalization as recommended in the Ten-Point Programme.

In his report, Mr. Y. B. Chavan did not make any such claim about the abolition of privy purses and privileges, but, he said that the Government had under consideration proposals for legislation and also a scheme for payment of transitional allowances in lieu of the privy purses and abolition of most of the privileges. A decision would be taken after conclusion of the talks with the Princes which were being conducted "by him and the Deputy Prime Minister."

Mr. Morarji Desai outlined the steps he had taken so far to bring the banks under social control—including the formation of the National Credit Council, amendments to the Banking Regulation Act to eliminate "the dominant position, authority and influence" of the big business and industrial groups. It was clear, he said, that "effective steps have been taken for the implementation of the social control policy. The measures which are in various stages of implementation will lead to a more effective budgeting and planning of credit which in the ultimate analysis is the fundamental of the social control policy".

As regards general insurance, Mr. Desai explained why the Government preferred social control to nationalization (as envisaged in the Ten-Point Programme). The Government examination showed, he said, that "contrary to the general belief, nationalization would not help in gathering any significant resources for the Plans."

Mr. Desai referred to the mistaken belief that life and general insurance were similar. Actually, general insurance funds were small, a mere Rs. 37 crores against a life fund of Rs. 1,224 crores of the LIC, the annual accretion being respectively Rs. 6 crores and Rs. 146 crores. Nor did general insurance funds give rise to concentration of economic power. They were not credit institutions and, in fact, general insurance companies were seekers of patronage. The examination also revealed that nationalization, apart from having no significant advantages, was likely to bring in its wake a host of problems.

Explaining why the Government did not decide in favour of nationalization of banks, he said: "The objective of the social control scheme is to secure a better alignment of the credit policy of the commercial banking system to the varied credit needs of the economy in accordance with the relative Plan priorities. The essential idea was that a co-ordinated view should be taken of the credit requirements of the economy and concerted measures put through for a more purposive and equitable distribution of available credit and for a more effective mobilization of savings through the banking system.

The Note submitted by Mr. B. R. Bhagat gave details of the commodity-wise progress in State trading in imports and exports. The main technique followed to facilitate the role of the public sector in foreign trade, he said, would be to give a monopoly to such agencies as the State Trading Corporation and the Minerals and Metals Trading Corporation. A committee had been appointed to review the trading technique and organization structure of STC.

On the progress of implementation of tenancy reforms, Mr Jagjivan Ram explained the lack of any significant advance in these words: "Land reforms being a State subject, the main responsibilities for enactment of legislation and its implementation lies with the State Governments. The Government of India can only advise and assist the States in formulating their programmes and in carrying them out. The proposals set out in the successive Plans which are in the nature of a broad common approach are to be adopted and pursued by each State with due regard to local conditions and in response to local needs. Due to various reasons, the progress made in the implementation of land policy has not been uniform".

On State trading in foodgrains, he said: "State trading with an elaborate machinery for procurement and an elaborate system of public distribution, to ensure equitable distribution of available supplies of grain has been in force for many years. The Food Corporation of India was set up to secure a commanding position in the grain trade by an Act of Parliament on January 1, 1965. Ever since the setting up of the Food Corporation of India, State trading in grain has been intensified both in terms of internal procurement and public distribution system."

Mr. Fakhruddin Ali Ahmed, Central Minister for Industrial Development, in his Note on regulated resources of monopolies said that the Government was "quite vigilant" to check the growth of monopolies in the country and outlined the various steps taken by the Government to check monopolistic tendencies.

The Note said that with the rapid pace of industrial development in India since Independence, the question had been frequently asked whether this progress had led to the concentration of economic power in the hands of a few. "In fact this question was posed before Parliament by India's first Prime Minister, Mr. Jawaharlal Nehru, as early as in 1960." It had been the policy of the Government to ensure, through fiscal as also various other measures, that there was no concentration of economic power to the common detriment and that monopolies were regulated in public interest.

General Secretaries' Report:

In their report to the Congress, the General Secretaries urged the party's leaders to give serious thought to the question of coalition Governments.

There had been much fresh thinking on the "advisability, necessity, even the inevitability" of more coalition Governments, and the Congress had not yet given adequate thought to the subject.

The aim of the party was the preservation and continuation of democracy and "if, in the process, *it is inevitable that coalitions will be a growing feature of our political life we should be ready to face up to its implications.*"

The report referred to the results of the recent mid-term polls and said that they "have not been satisfactory or in conformity with our legitimate expectations." Particularly in West Bengal, "the results when announced were a surprise to us.'"

In analysing the results and the causes of the Congress debacle, it pointed to the increase in the percentage of votes won by the party and the surprising fall in the actual number of seats won by it. One of the main reasons for this, as in the case of Kerala, was the effective combination of the non-Congress parties. "The mid-term poll in West Bengal made it clear that by and large people voted either for the candidates of the Front or the Congress. The parties which sought to establish a third force were just wiped out."

Calling for a close analysis of the working of the programmes and policies of the party, it asked the Congress to address itself to the problems of the whole generation of new voters, young men and women, "their aspirations and anxieties, their sceptical frame of mind and their uneasy search for the meaning of life". The need for such a close analysis had been heightened by the results of the General Elections and mid-term polls.

It reviewed the working of the coalitions and the minority Governments and said this was unsatisfactory because these consisted of elements with different outlooks and programmes. The minority Governments in Bihar and Punjab had been particularly big failures; they had developed irresponsible attitudes and administrative standards had fallen. "Such uneasy and precarious arrangements cannot last long. This is one important lesson the Congress has learnt from the functioning of minority Ministries."

(**The Statesman, The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 8645:INI:A]

ASIA OUTSIDE ASIA

A. **Increase In Soviet Offensive Missile Capability:** The US President, Mr. Richard Nixon, said in Washington on April 18 that Soviet offensive missile capability was estimated to be 60 per cent higher than what it was two years ago.

Soviet submarine missile strength was also 60 per cent greater than then.

He gave these figures to justify his decision to deploy a limited anti-ballistic missile system—a decision which had been strongly criticized in Congress and elsewhere.

The new intelligence estimate of Soviet offensive capability, he said, had been made since President Johnson decided in 1967 to deploy a "thin" anti-ballistic missile system. The Johnson Administration decision was reviewed earlier this year by President Nixon who ordered a new but more limited deployment, known as the safeguard system.

Mr. Nixon declared that this decision was essential for national security and to avoid USA becoming a second class Power or inferior to the Soviet Union in missile strength.

He said he was puzzled as to why the Soviet Union was heavily building up its arsenal of offensive weapons. He said that if USA did not take counter-measures, the Soviet Union in a few years would be "substantially ahead of the USA in overall capacity. We cannot allow that to happen."

The USA no longer had the weapons superiority over the Russians it once had, and there was no longer any necessity for it. But USA must be able to negotiate from strength and the President's bargaining position must be maintained.

(**The New York Times**)

[Prev. ref. 8320:AOA:P]

B. **Rice Surplus:** According to FAO reports, most of rice-growing Asia, after experiencing crop failures and critical shortages in 1966 and 1967, has either attained self-sufficiency or is enjoying surpluses.

FAO reported a record production of 183 million tons of rice in 1968 and attributed the bumper harvests to improved farming techniques, including the widespread cultivation of high-yielding varieties in Asia.

The Philippines, for instance, transformed itself from an importer to an exporter of rice in 1968. Two perennial importers, Indonesia and Viet-Nam, reported increased harvests and may be heading towards self-sufficiency in the next few years.

Upward rice production was reported in Pakistan, Ceylon, Malaysia and India despite adverse weather conditions. The main rice-exporting nations of Burma, Cambodia, Formosa and Thailand remained the primary rice bowls of Asia.

China,though beset by internal turmoil, was reported to have maintained its 1968 production to the level of the big 1967 harvest.

Mr. Teofilo Azada, executive director of the Rice and Corn Production Co-ordinating Council and chairman of an FAO study group on rice which met in Manila in the last week of March, summed up the situation: "Sudden abundance, however, spawns a new set of problems and I do not only mean the multiplied problem of inadequate facilities for grain storage, processing and marketing. Countries aiming only at self-sufficiency in the beginning find that their unexpected surpluses mean an inevitable entry into the sensitive field of international rice trade just to be able to market such surpluses."

(**The Times of India,** New Delhi)

[Prev. ref. 8593:AOA:E, 8833:AOA:B]

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INDIA

A. Finance Bill Passed—Excise Duty Concessions: Introducing the Finance Bill in the Lok Sabha on April 29, the Deputy Prime Minister and Finance Minister, Mr. Morarji Desai, announced excise duty concessions totalling Rs. 5.09 crores.

The proposed duty on power-driven pumps was dropped completely "in the interests of the small agriculturists", but the duty on fertilizers would stay.

Mr. Desai announced concessions covering certain cheaper varieties of cotton fabrics, rayon and cement. He also allowed exemption from the proposed Agricultural Wealth Tax for agricultural land valued up to Rs. 1,50,000.

There was approval when he announced his intention to reduce the postage charges for newspapers weighing up to 60 grammes from five paise to two paise. There were shouts of disapproval when in the next breath he announced an increase in the registration fees for postal articles from 70 paise to 75 paise.

He said that the proposal to include in the net wealth of individuals and Hindu undivided families the value of agricultural tax for subjecting it to Wealth Tax at current rates had been carefully examined in the light of criticism and suggestions made by members. He had considered various alternative proposals for exempting "genuine agriculturists" and had also gone into the constitutional validity of the proposed tax. Finally he had decided to provide separate examption for agricultural lands up to a value of Rs. 1,50,000. The exemption would be in addition to the existing general exemption from Wealth Tax on the first Rs. 1,00,000 for individuals and Rs. 2,00,000 for Hindu undivided families. Thus a farmer who owned agricultural land worth Rs. 2,50,000 and did not have any non-agricultural investment or property would be outside the scope of the levy. For Hindu undivided families, Wealth Tax would not be payable unless the wealth exceeded Rs. 3,50,000. The exemption limit for agricultural land would be reduced to the extent exemption was given for urban residential houses.

He announced relief for cottage and small industries engaged in prepared and preserved food products. These would cover units with an annual production of the value of Rs. 50,000.

The Bill was later passed.

Attorney- General's Opinion On Agricultural Wealth Tax Levy:

The Attorney-General of India, Mr. Niren De, was called to the Lok Sabha to give his views on the Agricultural Wealth Tax Levy and he explained that under the residuary powers conferred on Parliament by the Constitution, it had the power to levy wealth tax on agricultural land.

He made a distinction between "tax on agricultural land" and "tax on capital value of agricultural land" and said that this distinction was a "vital" one.

Citing examples, he said a tax on goods was not the same thing as tax on the sale of goods, nor was a tax on a profession the same thing as tax on income from the profession.

After making this distinction, he pointed out that Entry 86 in the Union List specifically prohibited Parliament from levying a tax on the capital value of agricultural land. Entry 49 in the State List mentioned only "taxes on land and buildings", and it was arguable whether this included taxes on capital value of land. If the distinction he made earlier was accepted, then it followed that the States also could not levy a tax on the capital value of land, since the list mentioned only "tax on land".

Thus, if under Entry 86, Parliament could not levy wealth tax on agricultural land and it also did not come in the State sphere, then the power to legislate on the proposed measure could not hang in the air. This power had to be found in the Constitution itself.

Federal Constitutions such as India's always included a provision regarding residuary powers to cover matters not specially provided for. This power was contained in Article 248 of the Constitution, which the Attorney-General read out.

[The Article regarding residuary powers reads: "Parliament has exclusive power to make any law with respect to any matter not enumerated in the Concurrent List or State List. Such power shall include the power of making any law imposing a tax not mentioned in either of those Lists".]

Mr. De explained that the purpose of Article 248 was to provide a "safety valve" to meet a situation where the subject matter of legislation did not occur in any of the Lists.

(**The Statesman,** New Delhi)
[Prev. ref. 8835:INI:A]

B. Gold Control Act Sections Declared Unconstitutional By Supreme Court: The Supreme Court on April 30 declared unconstitutional some Sections of the Gold Control Act and directed the Union of India not to implement them. It held, however, that Parliament was competent to pass the Act.

The Sections declared unconstitutional were 5(2)b, 27(6), 27(2)d, 32, 46, 88 and 100.

The main findings of the Court, on petitions filed by Mr. Harakchand Ratanchand Banthia and others, were:

The power of regulation conferred on the Administrator appointed under the Act under Section 5(2)b suffered from excessive delegation of legislative power. The provision was, therefore, unconstitutional.

Section 27 (2)d, which empowered the Administrator to impose different conditions on different classes of dealers must be struck down as it placed an unreasonable restriction on the right to carry on business as guaranteed by Article 19 of the Constitution.

The limits regarding the amount of gold which could be held by artisans as provided in Sections 32 and 46 were rendered meaningless by the other provisions of the Act and, therefore, constituted an unreasonable restriction on the right to carry on trade. They violated Article 19 (1) and were unconstitutional.

Section 88 of the Act, which imposed a liability on the dealer for the acts of his employees, was unreasonable and was, therefore, invalid.

The provisions of Section 100 requiring a dealer to satisfy himself as to the identity of the person from whom he purchased gold imposed an unreasonable restriction and must be struck down.

The provisions of the Act on licensing of dealers and certification of goldsmiths were not discriminatory or violative of the equal protection of law guaranteed by Article 14 of the Constitution and Sections 27 and 30 could not be assailed on this ground.

The Court observed that the provisions of the Act which were struck down could not affect the validity of the Act as a whole. The provisions held to be invalid were not inextricably bound with the remaining provisions which could stand by themselves.

[The Gold Control Act was passed by Parliament in 1968. Its aim was to provide for the control of the production, manufacture, supply, distribution, use and possession of and business in gold ornaments and articles of gold. The reason for its enactment was that large quantities of gold were being smuggled into India, causing a loss of over *Rs. 100 crores annually by way of Customs duty, etc. To limit these clandestine operations, the Government felt it was necessary to* reduce the internal demand and take other measures].

(The Statesman, New Delhi)

[Prev. ref. 8480:INI:B]

C. Fall In Value Of Rupee: The value of the rupee fell by 33 per cent within four years, according to figures released in New Delhi on April 25 by the Central Statistical Organization.

Thus, in spite of the sharp increase during 1967-68, **per capita** income at 1960-61 prices came down from Rs. 333 in 1964-65—the highest point reached so far—to Rs. 321 per annum in 1967-68.

At current prices, however, **per capita** income continued to make impressive gains from year to year.

According to the study, **per capita** income at 1960-61 prices was almost the same (Rs. 320) in 1963-64 and 1967-68. But, at current prices it rose by about 50 per cent from Rs. 367 in 1963-64 to Rs. 543 in 1967-68.

Per capita income increased by 6.2 per cent and national income by 8.9 per cent during 1967-68.

The figures, which were still provisional, showed, however, that there was a decline of 1.6 per cent and 7.9 per cent respectively in **per capita** income in the two preceding years.

(The Hindustan Times, New Delhi)

[Prev. ref. 8706:INI:B]

D. International Airports Committee's Report: The setting up of a commercially-oriented autonomous corporation for management of the four international airports in Delhi, Calcutta, Bombay and Madras has been recommended by the International Airports Committee headed by Mr. J.R.D. Tata.

The report of the Committee was placed on the table of the Lok Sabha on April 24 by the Minister for Tourism and Civil Aviation, Dr. Karan Singh.

In the opinion of the Committee, such a corporation should be created under the Indian Companies' Act and all the assets of the four international airports placed under its ownership and management.

Aeronautical communication and air traffic facilities and weather forecasting services should, however, continue to be provided by the Director-General of Civil Aviation and Director-General of Observatories, respectively.

The Committee felt that only a commercially-oriented organization, with sufficient autonomy in financial matters, and unfettered by Government procedures, could provide the special expertise and speed for the efficient management and development of the four international airports.

The Committee's recommendations for development and modification of the four airports would involve an expenditure of Rs. 106 crores, phased over a period of 15 years.

The expenditure was phased over three five-year periods corresponding to the Five-Year Plan periods. The first phase to be completed by 1974 involved an expenditure of Rs. 63.56 crores. The second phase would be completed by 1979 with an expenditure of Rs. 35.54 crores and the balance of Rs. 7.02 crores would spill over to the third phase going beyond 1979.

The phased programme covered development of runways, taxi-ways, apron and allied services at a cost of Rs. 61.96 crores and construction of terminal buildings and buildings for ancillary services involving an expenditure of Rs. 30.66 crores.

The balance of Rs. 14.10 crores was for improvement of navigational facilities such as instrument landing system, surveillance radars, point-to-point, ground-to-air and air-to-ground communication etc. up to 1974.

In the matter of terminal buildings, the Committee envisaged the development of an entirely new terminal complex for both domestic and international passengers at Palam and a similar complex at Madras.

A new terminal complex for international passengers would be developed at Santa Cruz on the basis that when international operations move to the new wing, the existing terminal building be used exclusively for domestic operations.

At Dum Dum, a domestic block would be constructed alongside the international block now under completion.

The Committee recommended higher priorities for works at Santa Cruz and Palam where the traffic growth had been very high.

(The Times of India, New Delhi)

[Prev. ref. 8401:INI:R]

E. Chinese Ultimatum Across Nathu La: The Chinese troops across Nathu La gave ultimatum twice in the third week of April to the Indian security forces stationed there asking the latter to vacate the area.

On April 23, the Chinese troops told their Indian counterparts through loudspeakers that they should quit the area by noon the next day. Otherwise, the Chinese said they would open fire.

According to a Defence Ministry spokesman, the warning was repeated on April 24. But Indian security forces continued their vigil as usual and advised the Chinese not to resort to any rash action.

As soon as the Government received the report from Nathu La about the ultimatum, the Chinese **Charge d'Affaires** in New Delhi was summoned to the External Affairs Ministry and was sternly warned that if the Chinese troops did anything, the Indian jawans would not keep quiet. The **Charge d'Affaires** was reported to have said that the Chinese troops had strict instructions not to open fire unless provoked.

Although the ultimatum expired at noon on April 24, the Chinese did not do anything. The situation at Nathu La continued to remain normal.

This incident came 16 months after the clash in September, 1967 when Indians and the Chinese exchanged artillery and mortar fire for four days, resulting in casualties on both sides. There was a clash on October 1, 1967 at Cho La. Earlier, in September, 1965 during the Indo-Pak operations, the Chinese had given an ultimatum to India to demolish certain Indian structures at Nathu La, alleging that they were on the Chinese side of the border.

(**The Statesman,** New Delhi)

[Prev. ref. 8675:INI:T]

F. **Assam Hill Districts—Constitution Amendment Bill Passed:** On April 15, the Lok Sabha adopted the Constitution (22nd Amendment Bill 1969) which will enable Parliament to adopt legislation to confer the status of an autonomous State on the hill districts of Assam within that State.

As many as 369 members belonging to the Congress and the Opposition voted for the Bill, while 28 Jana Sangh members and some Independents voted against it.

On April 30, the Rajya Sabha passed the Bill by 181 votes in favour and 7 against.

Now, the Bill will have to be ratified by at least nine State Legislatures before the Government brings up in Parliament another Bill for constituting the autonomous State.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8901:INI:N]

G. **Diplomatic Appointments:** Kenya has nominated a Delhi University graduate as its first High Commissioner to India. He is Mr. Leo Pius Odero.

Mr. Odero (39) obtained his B.A. (Hons) degree from Delhi University.

Mr. Mohammed Fathallah has been appointed Ambassador of Lebanon to India.

Mr. Fathallah had been serving as Ambassador in Madrid.

(**The Times of India,** New Delhi)

[Prev. ref. 8282:INI:E, 8474:INI:R]

H. **Central Loan Over-Subscribed:** A Rs. 250-crore Central Government loan was over-subscribed within minutes of its opening for subscription at the Reserve Bank on April 30.

The 55 per cent loan was issued at Rs. 100 per cent and redeemable at par on April 30, 1966.

(**The Statesman,** New Delhi)

[Prev. ref. 8475:INI:U]

I. **Rise In National Income:** An official in New Delhi on April 25 stated that an increase of 8.9 per cent in the national income in 1967-68 over the previous year at the 1960-61 price level had been registered.

The increase, according to the Department of Statistics, Cabinet Secretariat, was mainly attributable to the recovery in agriculture from the setback during the years of drought.

The income from agriculture showed an increase of 19 per cent over 1966-67, but the income in the industrial group showed only a marginal rise as a result of the recession.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6887:INI:D, 8881:INI:I]

J. **Bihar Cabinet Expanded:** The Chief Minister of Bihar, Mr. Harihar Singh partially expanded his Cabinet on April 17 with the inclusion of two Cabinet Ministers and a Minister of State.

The Governor, Mr. Nityanand Kanungo, administered the oath of office to Mrs. Shashank Manjiri Devi, mother of the Raja of Ramgarh, and Mr. P. C. Barua (Jharkhand) as Cabinet Ministers, and to Prof. Mahabir Prasad (Soshit Dal) as Minister of State.

With these additions, the strength of the Bihar Ministry increased to 15. There are 14 Cabinet Ministers including the Chief Minister so far.

(**The Times of India,** Bombay)

[Prev. ref. 8898:INI:I]

K. **Naga Hostiles Captured:** Forty-two Naga hostiles, including a "camp commandant" and a self-styled "deputy magistrate", were captured by the security forces from Oinam camp in Mao sub-division of Manipur bordering Nagaland on April 16.

The security forces raided the camp and destroyed the entire 12 barracks of the camp where the hostiles were staying. They also captured weapons including 12 rifles, some Sten-guns, machine-guns, tommy-guns, mortars, hand-grenades and high-power explosives from the hostiles.

The "camp commandant" was flown to Delhi for interrogation.

(**The Statesman, Calcutta**)

[Prev. ref. 8896:INI:E]

L. **Rise In Literacy:** According to the Central Education Ministry on April 21, some 34.9 crores of Indians were illiterate even though literacy had increased from 17 per cent in 1951 to 33 per cent in 1968-69.

The widening of the gulf between literates and illiterates was attributed to increase in population.

The position in regard to literacy among women and in rural areas, it said, was depressing. It felt that any postponement of the date of liquidation of illiteracy beyond the period of 10 to 15 years may aggravate the problem.

Universities and colleges, it said, had to play an important role in mobilizing the resources of the educated people in this national task of eradication of illiteracy. Unless this fundamental social responsibility was recognized, accepted and given effect to, there was no hope of eradicating adult illiteracy in the near future. It should be now possible for educational institutions to take up the programme of initial literacy through the national service programme.

(**The Times of India,** New Delhi)

[Prev. ref. 8050:INI:O]

M. **Jana Sangh's Annual Session:** The 15th annual session of Bharatiya Jana Sangh was held in Bombay for three days on April 26, 27 and 28.

In his Presidential address, Mr. Atal Behari Vajpayee demanded that the President of India should seek the Supreme Court's interpretation of the Governor's discretionary powers in order to put the Centre-State relations on an even keel.

He also suggested that a Parliamentary Committee should spell out guidelines on how a Governor should conduct himself in situations "not strictly governed by the law."

He pleaded for the setting up of an Inter-State Council to provide a forum for objective assessment of issues arising between the Centre and States. This alone would help in the long run to strengthen national unity.

Mr. Vajpayee re-iterated the suggestion made by his predecessor, Mr. Deendayal Upadhyaya (in Calicut) that Governors should be selected in the order of priority from a list of retired Supreme Court judges. Perhaps, the choice might be extended beyond the judiciary. The essence of the suggestion was that arbitrariness and partisanship in the matter of nominations to this office should be eliminated.

In a comprehensive review of the political and economic situation in the country, Mr. Vajpayee said that the three Five-Year Plans, far from removing regional disparities, had actually accentuated them. Regions relatively better off had become more prosperous, while backward ones were sinking into poverty. If the situation was not remedied early, the consequences would be serious.

He declared that the results of the recent mid-term elections had proved that the party's contact with the people had become feebler. He wanted his partymen to realize that the main reason for the setback was organizational. The decline of the Congress and the failure of any other national party to emerge as a clear alternative had created a climate of instability and uncertainty.

Emphasizing the need for a strong Centre, he said that the Constitution was federal in structure, but unitary in substance. While his party would be happy if the structure was also made unitary and the nomenclature of "Union" and "State" changed to "State" and *"Province", it was imperative that the Constitution's unitary content should be zealously safeguarded. For this reason,* the Jana Sangh was opposed to the augmentation of political autonomy now enjoyed by States.

Turning to the economic situation in the country, he stressed the urgent need to achieve self-sufficiency in food. Otherwise, it would not be possible to realize the aim of balanced growth. Installation of an additional pump in each village and bringing 181.3 million hectares of uncultivated arable land under plough were some of the measures he suggested to increase production.

Resolutions:

On April 27, the session adopted a resolution on internal situation modified by the party's Working Committee in deference to the feelings expressed by members.

A major change in the resolution was that the demand for the appointment of a second States Re-organization Commission was given up and in its place a high-power Experts Commission was proposed to inquire into regional imbalances.

The amendment also suggested that the proposed Commission should review the Constitution so as to make it unitary not only in content but in structure as well.

In another resolution, it called for the re-orientation of the Government's labour policy to ensure smooth and healthy industrial relations and "a fair deal to the toiling masses."

Of particular interest was the demand for the extension of the Minimum Wages Act to all agricultural workers and strict adherence to the principle of "no retrenchment without alternative employment before conceiving any schemes for rationalization, mechanization or automation and guarantee of job security."

In a third resolution, it rejected the policy of non-alignment in foreign affairs as totally irrelevant to the fast-changing world situation and advocated an independent foreign policy to subserve wider national interests with emphasis on bilateral relations on the basis of reciprocity and mutuality of interests. In its view, India should make increasing efforts to find reliable friends and allies against China and Pakistan which threatened the territorial integrity and security of India.

General Secretary's Report:

The General Secretary of Jana Sangh, Mr. S. S. Bhandari, in his annual report said that the Government of India, by conceding the demand for the creation of a hill State within the State of Assam, had made a beginning towards the Balkanization of India and the country's integrity was in danger.

He said that with the amendment of the Constitution for the formation of an autonomous sub-State in Assam, Christian missionaries in the Adivasi areas of other States had also started propaganda for the creation of more sub-States. The proposals to create a Muslim majority district and Christian majority district in Kerala were glaring examples of appeasement of communal demands. His party had decided to launch a country-wide agitation against the creation of such districts.

He expressed concern over the growing forces of disruption and separatism and said that violence and destruction of property by Shiv Sena in February, 1969 in Bombay over the Maharashtra-Mysore boundary dispute and the inability of the police and the administration to prevent these riots was a glaring example.

Telengana Issue:

Referring to the Telengana agitation, he said special efforts should be made for the development of backward areas of Telengana by fulfilling the assurances given to the people of that area.

He expressed his sorrow at the treatment meted out to the scheduled castes and scheduled tribes in the country and said that in spite of loud proclamation about the developmental and welfare activities for the uplift of Harijans and Adivasis, no serious effort had been made so far to make these two communities self-reliant.

(**The Times of India**, Bombay and **The Hindu**, Madras)

[Prev. ref. 8134:INI:C]

INDONESIA

A. Banking Agreement With Malaysia: At the close of week-long talks in Kuala Lumpur on March 28, representatives of Indonesia and Malaysia reached agreement on establishing direct bank-to-bank credit facilities to boost trade between the two countries.

The leader of the Indonesian team to the talks, Dr. Arifin Harahap, told newsmen later that businessmen in both countries had not been able to do much trade so far due to lack of credit facilities. The two Governments had agreed to eliminate all obstacles to the free flow of trade. The establishment of banking and foreign exchange arrangements would promote direct trading.

The two sides also agreed to establish direct tele-communications links between the major rubber trading centres in both Indonesia and Malaysia to provide quick information on price and market fluctuations to traders.

A central rubber marketing system in which Thailand, Singapore and even Ceylon had shown interest would be set up. Dr. Harahap said that further discussions would be held with the representatives of the other countries. Such a regional market system would mean that rubber could be offered where the highest price prevailed on a particular day "and not at different" rates at trading centres in Djakarta, Singapore, Kuala Lumpur, Bangkok and Colombo.

(Antara)

[Prev. ref. 8695:IND:C]

B. Nuclear Agreement With France: An Agreement providing for co-operation between Indonesia and France on development of nuclear energy for peaceful uses was signed in Djakarta in the last week of March.

Following this Agreement, co-operation between Indonesia's BATAN and the French "Commissariat al' Energie Atomique", which started last year in the form of exchanges of information and trainees, would be intensified.

Both countries will exchange scientific information, latest equipment, chemical analysis, utilization of radio-isotope and radiation and protection against radio-activity. Under the Agreement, the two countries will exchange commercial and technical documentation relating to production, installation and maintenance of technical equipment either industrially manufacturned or resulting from laboratory experiments.

The French Atomic Energy Commission Commissariat al' Energie Atomique will search for uranium deposits in West Kalimantan.

If radio-active minerals are found, a separate Agreement will be signed for their exploitation.

Indonesian scientists will work in the nuclear field in France in exchange for French nuclear experts who will be sent to Indonesia.

(Antara)

IRAN

A. Boundary Dispute With Iraq–Troop Concentrations: Iranian troop concentrations were reported along the disputed Shatt-al-Arab river border region between Iraq and Iran on April 19 and Iranian armed forces were alerted.

The Deputy Foreign Minister of Iran, Mr. Khosrow Afshar, told the Senate that Iraq was claiming the waterway, where the Tigris and Euphrates run out into the Persian Gulf, as Iraqi territory. Iraq had threatened to prevent Iranian ships from passing through the Shatt-al-Arab and said that she would use force if Iranian Navy vessels, with troops aboard, passed through.

In this tense situation, Iran formally declared null and void the 1937 Iraqi-Iranian Agreement on navigation rights along the Shatt—which forms the southern border between the two countries.

On April 20, however, Iraq announced that it considered the 1937 Border Agreement with Iran on navigation rights along the Shatt-al-Arab river still valid and binding to both countries.

The dispute was seen in Baghdad and nearly Arab countries as heralding a wider struggle for power and influence in the Persian Gulf from which British forces are scheduled to withdraw in 1971.

On April 25, Iran continued to build up its forces along the Shatt-al-Arab river border with Iraq as **Phantom** jet fighters and warships stood ready to escort an Iranian freighter down the disputed waterway.

A report from Damascus said on April 27 the Iraq had vowed to stand fast against Iran's "provocations" in the Shatt-al-Arab waterway.

The Iraqi Agriculture Minister, Mr. Jassem Kazem Azzawi, in a speech on behalf of President Ahmed Hassan Albar at a peasants' conference in Baghdad, said that the Persian Gulf area was a "matter of life or death to us".

The Statesman's correspondent in Beirut said on April 23 that the dispute between Iraq and Iran over their boundary on the Shatt-al-Arab river had little to do with the muddy waters of that estuary and much to do with Bahrain and the Golan Heights.

He went on: "This dispute is a hardy perennial which is an expression, rather than a cause, of passing bouts of ill-will between the two countries. Consequently, the 1937 Treaty covering the boundary between the two countries must be just about the most denounced Treaty in history—each country has denounced it several times in recent years.

"There is no doubt that Iran has a very good case on this boundary question. Instead of being drawn straight down the middle of the river, as is the normal international practice, the line zig-zags erratically. If discussed rationally this line could easily be re-drawn to suit both Iraq and Iran; but, as now, it is only discussed with bad temper.

"The initial reaction of the Iraqi Government to Iran's denunciation was one of surprise: it was unaware that it had imposed restrictions on Iranian shipping in the Shatt-al-Arab river as Iran alleged it had done in a private discussion with the Iranian Ambassador in Baghdad, and of which no news was given by Iraq. This story is improbable for reasons both general and particular.

"It might have been expected that when the doctrinaire Baath Party Socialists took over in Iraq last Summer they would be hostile to the ostentatiously flamboyant monarchy in Iran. The contrary is what happened."

(The Times, London and **The Statesman, Calcutta)**

[Prev. ref. 7759:IRN:A, 8557:IRN:A]

IRAQ

A. Directive To Palestine Guerrilla Organizations: According to a Beirut despatch published in **The Times** (London) on April 19, the Government has served notice on the Palestine guerrilla organizations that it objects to their presence on its soil and has laid down stiff conditions which it requires them to observe if they want to stay.

The Note was published in **Al Nida,** the Beirut communist daily newspaper, on April 18 but this by no means presupposed communist sympathy for the guerrillas.

The Note, delivered to the principal guerrilla group, called on them to bring all their activities in Iraq under the control of the country's intelligence organization, remove their training camps from urban areas, stop uniformed guerrillas entering cities, and co-ordinate their activities with the recently created Iraq guerrilla group—the Arab Liberation Front.

The Note suggested that the training camps could be set up at Al Rutbah, which is close to the Jordan border. The guerrillas should not be allowed outside the battleground, "and must concentrate in Jordan." "There is no reason for them to be in Iraq."

As the extreme Baathist **regime** in Iraq was one of the most vociferous supporters of the Palestine guerrilla organizations, the new Baghdad move was a severe blow.

Bearing the signature of Mr. Chafic al Daraji, Secretary to the Revolutionary Command Council, the country's highest authority, the Note claimed that the guerrilla organizations had ignored earlier instructions on their behaviour in the country and had, as a result, created security problems. Kurdish rebels and communist extremists had, for example, undertaken subversive acts against the Government while masquerading as Palestine guerrillas.

The Note also asserted that certain guerrilla organizations had made contact with opposition political parties in Iraq, held rallies and collected funds without permission.

In future, all funds must be channelled through a special "donations committee" set up by the regime.

As well as informing Iraq intelligence of their movements inside Iraq, the guerrilla organizations were ordered to appoint an official to keep in touch with the authorities on questions of arms, money, transport, radio programmes, printing and distribution of propaganda, statements to the Press and accommodation.

(**The Times**, London)

[Prev. ref. 8483:ISR:B]

B. **Troops In Syrian Territory:** Iraq circulated to the United Nations Security Council on April 2 a statement that its troops were stationed in Syrian territory, at the request of the Syrian Government, in accordance with a joint defence pact.

The letter, signed by Mr. Adnan Raouf, acting permanent delegate, said that, in view of Israel's expressed intention to extend its borders "from the Euphrates to the Nile", Syria and Iraq had "the supreme right and duty of joining efforts to prevent such an eventuality".

[Israel had complained to the Council that the presence of Iraqi troops near its borders aggravated the West Asian situation. On April 1, the Council passed, by 11 votes to none with the United States, Britain, Colombia and Paraguay abstaining, a resolution condemning the Israeli anr raid on Es-Salt]

(**Baghdad Radio** and **The Times**, London)

[Prev. ref. 8856:SYR:B, 8922:ISR:A]

ISRAEL

A. **No Return To 1967 Borders:** The Prime Minister, Mrs. Golda Meir, on April 18 stated at a Press Club luncheon in Tel Aviv that Israel would never repeat what happened in 1957.

She said that another withdrawal without a contractual peace, such as that which had followed the Sinai campaign, was "utterly inacceptable to the Government of Israel."

She was asked what lessons Israel could learn for 1969 from 1957, when she was Foreign Minister. She warned that many people throughout the world would not applaud Israel's firm stand, "and we may find ourselves confronted with very strong pressures, but we will have to stand up to them, because we have no alternative."

She declared that Israel was in a stronger position today than in 1957 to face up to pressure: "...We will not agree to accept 'promises', or proposals for demilitarized zones, but only plans that will radically alter the situation, whether four or 40 meet.'"

Asked whether the Americans had indeed exerted pressure on Israel to accept less than contractual peace, she replied: "For the moment, we are exerting pressure on the Americans. Their turn will come..."

She objected to demands that Israel outline her final position on the borders, declaring that this would wait for the peace conference table. "The 1967 borders are out of the question, just as the 1947 partition lines died in the War of Independence. The Arabs always yearn for the previous borders they lost by their own fault."

Negotiations Offer To King Hussein:

Earlier, addressing a news conference in Jerusalem on April 13, the Foreign Minister, Mr. Abba Eban, offered to negotiate with King Hussein of Jordan to reach agreement on secure and recognized boundaries between Israel and Jordan.

Answering questions relating to the six-point peace plan outlined by King Hussein in Washigton, Mr. Eban said: "You cannot get peace by restoring the position which led to war. There is no precedent in the history of peace without negotiations and agreement."

He added that agreement should be sought on secure and recognized boundaries instead of trying to revive the old armistice demarcation lines. King Hussein was fully aware that if his Government wanted a genuine peace with Israel there would be no difficulty in achieving it.

He added that King Hussein could not speak in one breath about peace and his support of Arab terrorists.

King Hussein's View:

The same day (April 13) in New York, the King said in a television interview that if Israel accepted the Security Council resolution of 1967, even without a withdrawal of Israeli forces, there could be talks through Dr. Jarring. He also believed that a majority of the 2½ million Palestine Arabs would agree, although their organizations had not so far accepted the resolution.

"I believe the escalation of the resistance is a direct result of the continuance of the occupation." He said: "What has been lacking is an alternative.... Palestine leaders recognize that they can never regain territory as such (the lands lost in 1948). I believe they are logical people.

"I believe the difficulties of the occupation have driven some of them beyond reason just now. But given an alternative they would look to it."

He was sure that the United Arab Republic was with Jordan in accepting all of the Security Council, principles, including the right of navigation of all States through Suez. As for Syria's refusal to accept the resolution or deal with Dr. Jarring, he said that Arab Heads of State had accepted since the Khartoum Conference in 1967 that a political solution must be found which the countries immediately involved agreed to, and that meant UAR and Jordan.

The King did not believe peace possible if Israel maintained control of Jerusalem. "We cannot bargain about our sovereignty in the Arab part of Jerusalem, but once it is recognized we will do what is necessary to make it a city of peace for all time."

Asked what would happen if Israel refused, he said: "We would then have to do whatever is necessary to secure our rights, but I hope to God that situation does not arise."

(**The Jerusalem Post** and **The Times**, London)

[Prev. ref. 8840:ISR:A]

JAPAN

A. **Record Balance Of Payments Surplus:** According to the Finance Ministry, Japan's overall balance of payments reached a record surplus of $1,630 million in fiscal 1968.

The country had run into a deficit of $535 million in fiscal 1967.

The previous record was in fiscal 1965 when the surplus totalled $428 million.

According to the Ministry, the basic balance of payments and trade balance for fiscal 1968 rose by $1,430 million and $3,020 million, respectively, both new records.

Exports were valued at $13,470 million and imports at $10,450 million.

The Ministry attributed the recovery in the balance of payments to the fact that Japan's exports increased by 27 per cent over fiscal

1967 centering mainly on exports to the United States, while imports rose by only 11 per cent.

The increase in the rate of exports over the previous year was the second highest after 28.7 per cent registered in the 1964 fiscal year.

As a result, Japan's trade balance in fiscal 1968 showed an increase in surplus by about $1,900 million over the previous year.

The favourable over-all balance of payments in fiscal 1968 was also attributed to a considerably small deficit in the long-term capital transactions of $90 million.

The small deficit in long-term capital transactions was due to a large inflow of foreign capital into Japan through impact loans, active foreign investments in stocks and bond flotations overseas.

The invisible trade balance in 1968 registered a deficit of $1,330 million and the transfer account a deficit of $170 million.

As a result, the balance of current accounts showed a surplus of $1,520 million.

(The Japan Times, Tokyo)

[Prev. ref. 8825:JAP:B]

B. Envoy To India Named: The Government on April 25 named Mr. Atsushi Uyama, currently Ambassador to Iran, as Ambassador to India.

Mr. Uyama had been envoy to Iran since 1967.

(The Japan Times, Tokyo)

[Prev. ref. 8351:INI:K]

KOREA (North)

A. American Spy Plane Shot Down: Pyongyang Radio reported on April 15 that the Air Force had "scored a brilliant military achievement by immediately intercepting and shooting down with one stroke a reconnaissance plane of the United States imperialist aggressor troops at a high altitude".

[The North Korean Air Force is equipped with Soviet MIG-21 fighters armed with two 30-mm. cannon.]

The broadcast said that the aircraft was shot down "after intruding deep into the territorial air of the north half of the Republic", but it did not say whether it was hit by ground fire or aircraft.

In Washington, a Pentagon spokesman said the aircraft was about 90 miles out to sea when last heard from. The aircraft, which carried a crew of 30 Navy men and one Marine, was a four-engined EC-121, a military version of the Constellation equipped for long-range high-altitude reconnaisance.

The United States immediately requested the Soviet Union to join in the search for the aircraft.

The American position till then was that the cause of the aircraft's disappearance was unknown. The official mood in USA was not to see the incident as a grave international crisis.

Russian Co-operation In Search:

The US Pentagon announced on April 16 that a Russian ship in the Sea of Japan had picked up what appeared to be pieces of the missing American reconnaissance aircraft which North Korea had claimed to have shot down.

The statement said: "Direct communication has been established between one of the Soviet destroyer-type ships in the search area and a United States aircraft from Korea. The Soviet ship said in response to questions that it had not recovered or seen any survivors, but that it had picked up what it reported to be aircraft parts."

An American aircraft flew over the ship and photographed the wreckage. It appeared to be a wheel and a ladder, but there was no certainty that they belonged to the missing aircraft.

The debris was first sighted by an American aircraft, and the Russian ships were directed to the area. A radio was parachuted to one of them, and smoke markers were dropped near the wreckage. A Russian-speaking American was then flown to the scene from Japan.

The Russians, operating under an American fighter cover, were joined by two American destroyers. the **Tucker** and the **Dale.** This joint search, especially for a spy aircraft lost some 75 miles from Soviet and Chinese territory, was unprecedented. It was viewed by Western observers as one favourable development in an otherwise dangerous and miserable affair.

Later in the day, the Pentagon said that a variety of sources had confirmed that the aircraft had been at all times outside North Korean air-space.

The second statement said that there was nothing unusual about the aircraft's mission. "In recent years, these missions have been approved by high Government authorities in the State and Defence Departments, the Joint Chiefs of Staff and the White House. Each of these missions constitutes a lawful use of international air-space."

On April 17, the bodies of two men believed to have been crew members of the reconnaissance aircraft were picked up off the North Korean coast by the **Tucker.**

The same day, the North Korean Defence Minister, Gen. Choi Hyun, said: "War might break out at any moment." He protested against the "provocative act of brigandage" by the Americans, claiming again that the reconnaissance aircraft had violated North Korean air-space.

In South Korea, the Government called for "prompt and effective reprisals" against North Korean "puppets".

In Moscow, **Izvestia** said on April 17 that "extremists" in the United States Congress were trying to whip up tension over the shooting down by North Korea of an American spy aircraft.

The newspaper described the affair as "a second **Pueblo"** and "a new scandalous incident".

It added: "Some American politicians are asking reasonably if the United States has not gone too far in its espionage activities."

President R. Nixon's Statement:

In Washington on April 18, President R. Nixon announced at a news conference that US reconnaissance flights over international waters off the North Korean coast would be protected and would be resumed immediately.

The shooting down of the unarmed EC-121 reconnaissance aircraft, he said, was "unprovoked, deliberate and without warning". The aircraft was in international air-space 90 miles off the North Korean coast when it was fired upon. His decision to order protection for future flights was not a threat but "a statement of fact".

The North Koreans must realize, he said, that aircraft of the United States, engaged in intelligence-gathering in international air-space, "are not fair game."

He declined to specify what "protection" would be given to American reconnaissance aircraft, which remain on patrol for periods of up to 200 hours, but he emphasized that the intelligence flights were essential to the security of the 56,600 US troops in South Korea. "As Commander-in-Chief", he said, "I cannot and will not ask our men to serve without armed protection."

The attack on the Constellation aircraft, he said, was completely unexpected by both the United States and the Soviet Union. The intelligence-gathering flights had been continuing without incident for the past 20 years and 190 flights had been made this year alone.

North Korean Accusation:

On April 23, North Korea accused the United States of taking measures that could lead to another full-scale Korean War.

The accusation was made in an official statement on the shooting down of the US reconnaissance plane.

Quoting from the statement, the official Korean **Central News Agency,** said that American "maneuvering to provoke a new war in Korea has now reached a very dangerous stage."

The statement added: "If the reconnaissance planes of US imperialists intrude into the territorial air of our country, we will not sit with folded arms, but will take resolute measures for safeguarding our sovereignty as ever.

"Then US imperialists will use this as a pretext to commit a full-scale armed attack against us, which may only lead to another total war in Korea in the end."

The statement took special issue with President Nixon's announcement at the news conference that USA would henceforth assure protection for continuing reconnaissance flights.

The statement described what he had claimed as "another intolerable insult to our Republic and the Korean people. It is, in fact, an open declaration that he is taking a step further to the brink of war."

It attacked the decision to continue the reconnaissance flights near North Korea and called the new US protection "a very dangerous playing with fire."

The statement followed by a few hours a disclosure by the State Department in Washington that Russia had expressed concern to the United States over the American build-up in the Sea of Japan.

The statement re-iterated that the downed reconnaissance plane had intruded into North Korean air-space, despite Mr. Nixon's assertion that the aircraft was 90 miles from the North Korean coast when it was shot down.

US Task Force In Sea Of Japan:

The United States on April 20 began moving a 23-ship task force into the Sea of Japan, over which the plane was downed, to protect reconnaissance missions. The force included four aircraft carriers and a total of 350 planes.

The special task force sailed on April 26 into the Yellow Sea off the western coasts of North and South Korea.

The US Defence Department announced that Task Force 71—a fleet put officially at 29 vessels and unofficially but authoritatively at close to 40—was "proceeding south of Korea through the Tsushima Straits to the Yellow Sea where fleet operations will continue."

It also said that the battleship **New Jersey,** which had been diverted to Pacific waters while on the way to the United States, was now on its way home again and was expected to reach Long Beach, California.

A Department spokesman refused to say why the task force, which was sent to the Sea of Japan after North Korean jets shot down the EC-121 electronic intelligence plane, was moving out of waters east of Korea and into waters to the west.

Soviet Complaints:

But there was speculation in diplomatic quarters that the shift was influenced by Soviet complaints over the naval build-up.

Tokyo reports said Russians strongly resented the presence of so large an American force so close to the vital Soviet port of Vladivostok on the Sea of Japan. The shift to the Yellow Sea enabled the United States to placate the Russians and still protect flights off North Korea.

The Defence Department would not say how long the task force, which included three attack aircraft carriers, one anti-submarine carrier, three cruisers, 22 destroyers and at least five submarines, would remain in the Yellow Sea. The Department also refused to comment on reports out of Tokyo that USA had "accomplished its objectives" in the Sea of Japan.

The Japanese, like the Russians, had been uneasy over the US reaction to the plane incident. The Japanese Premier, Mr. Eisaku Sato, said that his Government had appealed to USA to be prudent in the matter. The shift of the task force to the Yellow Sea took it farther away from Japan.

In any event, reports said that the task force would not be sustained as a long-range project in the Yellow Sea.

On April 25, Gen. Earle G. Wheeler, Chairman of the Joint Chiefs of Staff, told a special House investigating committee in Washington that the task force was what the Navy called a "surge operation," one that could be maintained only "for a limited period of time." Gen. Wheeler said that the task force was "inordinately expensive," although he could not give any cost figures.

(The Times, London, **The New York Times** and **The Japan Times,** Tokyo)

[Prev. ref. 8779:KRN:A]

KOREA (South)

A. ADB Loan For Fishery Development: The Asian Development Bank (ADB) has agreed to provide a $7 million loan to help South Korea in its overall effort to improve its fishing industries.

The loan was being made directly to the Korean Cold Storage Company to finance the foreign exchange cost of providing freezing, cold storage, ice-making and ice storage facilities in Seoul, Pusan, Mokpo and Mukho. It would also cover fish processing equipment, market requirements, and fish transportation units.

The total amount needed for these installations was put at $15.3 million. Half of the expenditure plus the working capital funds of $2.9 million would be met by the South Korean Government.

Five commercial banks were participating in the loan to the extent of $500,000. They were: the Bank of Tokyo, Trust Company, New York, the Daiichi Bank, Tokyo, the Fiji Bank, Tokyo, and the Mitsubishi Bank, Tokyo.

The loan resulted from a technical assistance mission carried out by the ADB at the request of the Government of South Korea. The main objective of the mission was to provide assistance to the Agriculture and Fishery Development Corporation (AFDC) in identifying priority projects concerned with the storing and processing of agricultural, livestock and fishery projects.

The need for adequate refrigeration, cold storage and other facilities for handling fish products was pinpointed by the mission as the most important single project requiring immediate financing.

The operation of Korea's fishing fleet as a whole is also under scrutiny and measures are being taken to accelerate a development process which includes the gradual infiltration of more modern vessels manned by fishermen well-trained in modern techniques.

(UN Newsletter)

LEBANON

A. Clashes With Pro-Commando Rioters—Emergency Declared & Cabinet Resigns: A State of Emergency was declared on April 23 following clashes between security forces and pro-commando (El Fatah) demonstrators.

The clashes came as security forces fired on Palestinian refugees demonstrating at Ein al-Helweh refugee camp near Sidon.

About 11 people died and 82 were wounded in the clashes.

The country's 15,000-strong army kept a tight grip on internal security. Steel-helmeted troops patrolled the streets, guarding key installations.

On April 24, the Premier, Mr. Rashid Karame, announced his Government's resignation.

[Mr. Karame (47) who formed his seventh Government three months ago in the wake of the Israeli helicopter-borne raid on Beirut airport, told Parliament at the end of a long debate on the clashes: "There are two sides in Lebanon—one saying that commando action should be carried out from Lebanon whatever the consequences and another opposing this view. That is why no Government can take either view without splitting the country."]

Announcing his decision to resign in Parliament, Mr. Karame frankly admitted that the country, with roughly equal strength of the Christian and Muslim communities, could be split wide open on the issue.

But Mr. Karame, a Muslim, declared that he himself favoured commando action.

Meanwhile, the Palestinian resistance organization, El Fatah, warned the Lebanese authorities on April 25 that it would crush any hostile action against the movement. A **communique** issued by its Algiers office asked the Lebanese authorities to "take their hands off the revolutionary masses in Lebanon."

(**The Times**, London and **The Statesman**, Calcutta)

[Prev. ref. 8806:LEB:A]

NEPAL

A. Collection Of Compulsory Savings—Protest Riots: According to Home Ministry sources, four persons died when the police fired on a mob of farmers at Ajugara village in Kapilvastu district on April 21.

Local Press reports, however, placed the death roll at seven.

The trouble started early in the month in western Terai district of Kapilvastu and Rupadelhi when Land Reforms Department staff tried to realise with the help of the police compulsory savings for the land reform programme.

Farmers opposed it and there were violent clashes. The Government subsequently suspended the savings collection drive (see page 8925).

The Government recalled the zonal commissioner of Lumbini and posted another official.

There was recrudescence of trouble in Kapilvastu when a sizable number of peasants assembled at Ajugara to hold a meeting in protest against the police firings early in this month.

According to the official news agency, a mob attacked the police with stones and lathis as the latter tried to prevent the meeting from being held. Official reports said that some in the mob tried to make speeches and indulge in slogan-shouting against the Government.

Again on April 27, thirteen persons were killed and 10 others were injured in a police firing at Ajugara, Kapilvastu district, while agitating against land revenue.

Unofficial reports, however, put the death roll in the firing at 30.

The situation in Ajugara and Rupadelhi was later described as "quiet".

(**The Times of India**, New Delhi)

[Prev. ref. 8925:NEP:B]

B. US Loan: It was announced in Khatmandu on April 26 that the US Agency for International Development would provide Rs. 16,50,000 to Nepal's Industrial Corporation for exploring the possibility of establishing a stock exchange in the Kingdom and develop management consulting agencies with co-operation from foreign specialists.

Nepal's Industrial Development Corporation is a State-owned body.

An Agreement to this effect was signed two weeks earlier between representatives of the Government and the US Agency.

(**The Statesman**, Calcutta)

[Prev. ref. 8166:NEP:A]

PAKISTAN

A. Gen. Yahya Khan Meets Political Leaders: President Yahya Khan paid a five-day visit to East Pakistan from April 24 to 29.

During informal talks in Dacca with East Pakistan editors on April 25, he said: "Fundamentals of political conduct and behaviour should be agreed upon before political activity can be resumed."

He expressed the hope that the Press and especially the intelligentsia would help restore a proper climate in the country. Once the climate for resumption of political activity was created he would go ahead with the task of setting the election machinery in motion.

He said that political parties had not been banned, but only political activity remained suspended till tempers cooled down. He had no desire to impose on others his personal views relating to constitutional problems.

He later held a series of meetings with political leaders in Dacca on April 27.

The leaders were: Maulana Abdul Rahim, Mr. Abdus Salam Khan, Mr. Wahiduz Zaman, Qazi Abdul Qadir, Pir Mosimuddin, Maulvi Farid Ahmed, Khwaja Hasan Askari, Shakeel Abdul Manan, Mr. Abu Qasim, Mr. Asaduj Zaman, Mr. Justice S. M. Mursheed and the Pir Sarsina.

On April 29, President Yahya Khan said on arrival in Karachi that it should not be difficult to frame a new Constitution for the country if political parties observed certain fundamentals of conduct and behaviour.

After his talks on national matters with leaders of political parties in East Pakistan, he said he found that "a vast majority of opinion" agreed with him on the need for ensuring the fundamentals of political conduct and behaviour. "I am gratified that politicians also believe in these principles."

Earlier, on April 23, he met political leaders in Lahore for the first time since he took over the administration. **Radio Pakistan** said he spent more than four hours with seven political leaders.

Mr. Mohammed Ali, Mr. Nasrullah Khan and Mr. Mohammed Kasim had separate meetings with Gen. Yahya Khan, while Maulana Maudoodi and Mr. Tufail Mohammed met him together.

Mr. Mumtaz Daultana and Mr.

Shaukat Hayat Khan also conferred with the President jointly.

(**Radio Pakistan** and **The Statesman**, Calcutta and New Delhi)

[Prev. ref. 8891:PAK:A]

B. Corruption In Administration —Inquiry Committee Set Up: The Council of Administration decided in the third week of April to set up a permanent high-power committee to inquire into cases of corruption at the higher levels of administration.

An announcement in Rawalpindi by the Principal Staff Officer to the President and Chief Martial Law Administrator said that the the committee would consist of a serving or a retired judge of a High Court or of the Supreme Court and two or three more members, one of whom would be from Defence Services not below the rank of brigadier or his equivalent.

All members of the administration from the President down to the joint secretaries would file declarations of moveable and immovable assets held by them or members of their families or held by them in the name of any other person at the time of assumption or relinquishing charge of their respective offices.

Declaration Of Foreign Assets—Two Regulations Promulgated:

On April 17, Pakistanis were ordered to declare their assets in foreign countries and to declare or surrender unlawfully held or acquired foreign exchange.

Two Martial Law regulations said those who failed to do so would face a maximum of 14 years' imprisonment and the confiscation of all or part of their property.

One regulation said that assets in foreign countries—except foreign exchange—must be declared by June 16. The other said that foreign exchange unlawfully held or acquired must be declared or surrendered to the State Bank of Pakistan by May 15.

The Martial Law authorities also announced strict expenditure controls for public administration and State enterprises. Inspectors' corps had been set up specially to enforce them.

The former East Pakistan Governor, Mr. Moneim Khan, had been asked to submit a detailed list of his properties and wealth.

The Martial Law administration in East Pakistan had set up an inquiry committee to assess the properties of all former Ministers and members of National and Provincial Assemblies.

Many industrialists and businessmen had also been asked to submit by May 28 lists of their properties at home and abroad.

Two Government Officials Retired From Service:

The Health, Labour and Social Welfare Secretary, Mr. W. A. Sheikh, was on April 18 retired from service with immediate effect.

He was the second official of the Government who had been retired in the last two days. The Home and Kashmir Affairs Secretary, Mr. A. B. Kawan was retired earlier.

Mr. A. Gauhar's Appointment As Envoy To UK Cancelled:

On April 14, President Yahya Khan cancelled the nomination of Mr. Altaf Gauhar as Pakistan's new High Commissioner in London.

Mr. Gauhar, Secretary of the Information Ministry had been named for the post by F-M Ayub Khan following the resignation of the present High Commissioner, Mr. Mahmoud Haroon, who wanted to return to politics.

President Yahya Khan's decision was interpreted by a columnist in **The Times** as clearly designed to dissociate his **regime** from personalities closely linked with the former President.

Mr. Gauhar was believed to be mainly responsible for inflating F-M Ayub's image in recent years. He was also understood to have ghosted F-M Ayub's autobiography, **Friends Not Masters.**

(**The Times**, London, **The Statesman** and **The Times of India**, New Delhi)

[Prev. ref. 8925:PAK:A]

C. Exchange Of Messages With President Of India: Replying to a message from the Indian President, Dr. Zakir Husain congratulating him on his assumption of the Presidency, Gen. Yahya Khan said on April 26 that Pakistan "will be only too happy to co-operate in any effort directed towards normalization of relations between our two countries through a peaceful settlement of outstanding disputes on an honourable and equitable basis."

Dr. Husain had expressed the hope that "our two countries will be able to normalize their relations through peaceful bilateral discussions."

President Yahya Khan said that the solutions to the problems should be honourable and based on justice so that there could be normalization of relations between the two countries. He expressed hope that the two countries would succeed in settling the problems through mutual negotiations.

He also thanked the Indian Prime Minister, Mrs. Indira Gandhi for her message of sympathy for the victims of the recent cyclones which had hit East Pakistan.

(**Radio Pakistan** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8926:PAK:A]

D. RCD Project: The Chairman of the Security Papers Corporation, Mr. Said Ahmed, said recently that a $6.3 million RCD project for the manufacture of bank note papers and other security documents had started working in Karachi.

He told newsmen that the project, completed in three years with the assistance of well-known British manfacturers, would meet the entire domestic requirements of bank note papers and security documents and help save $1.05 million in foreign exchange annually.

An encouraging factor of the project was that over 90 per cent of the necessary raw materials was available in Pakistan. Only 10 per cent, including security thread and some chemicals, would be imported.

He added that at present only one machine with a capacity of producing 1,440 tons of rag water-marked bank note paper had been installed. The project had been designed to accommodate another machine "as and when we find it necessary to expand production."

He said that 40 per cent of the paid-up share capital belonged to Pakistan Security Papers Corporation, while Iran and Turkey had contributed 10 per cent each. The remaining 40 per cent was spread over a large number of investors in Pakistan. The project was the first RCD project to be completed and to start production.

(**Pakistan High Commission**, New Delhi)

[Prev. ref. 8830:PAK:C]

E. Justice Party's Manifesto: A leading campaigner against former President Ayub Khan, Air Marshal Asghar Khan, recommended on April 18 Pakistan's withdrawal from S-EATO and CENTO, removal of all foreign military bases from Pakistan, nationalization of key industries, and land reform.

The proposals were contained in a 17-page draft manifesto of his newly-formed Justice Party.

The manifesto's most striking omissions is that it fails to mention constitutional issues. It does not suggest any particular form of government, and does not take any stand on the burning issue of provincial autonomy.

Air Marshal Asghar Khan recommended that the Provinces should be self-contained in defence, which should be based on conscription. He called for "self-determination" for Kashmir.

Banks, insurance, iron and steel, heavy engineering, motors, fertilizers, textiles, sugar and tea should be key sectors of the economy in which large units should be nationalized.

The manifesto suggested that private capital should still have a place in the nationalized sector, provided that the Government holds majority shares.

[Marshal Asghar Khan, generally considered a Rightist, gained much middle-class support in his anti-Ayub campaign which he started in November, 1968. He now appears to be losing Right-wing support and entering into competition with the Left-wing leader, Mr. Zulfiqar Ali Bhutto.]

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8894:PAK:A]

F. **Mr. Z. A. Bhutto's New Book:** The former Foreign Minister, Mr. Zulfiqar Ali Bhutto, has said in a book entitled "The Myth of Independence" published in London on April 23 that the sooner the Commonwealth was dissolved, the better it would be for all concerned, including Britain.

He said that after the West Asian conflict it was doubtful whether Britain would ever again be able to assert itself east of Suez. "The Commonwealth has passed the point of mutual benefit. It has become a vestigial institution and the sooner it is decently and voluntarily dissolved, the better it will be for Britain and for the Asian-African nations of the Commonwealth."

He accused the Soviet Union of taking a wavering position on the Arab-Israeli war of June, 1967—as it did in the Indo-Pakistani war of 1966—and, in the final analysis, of collaborating with USA in both cases.

China, he said, had now emerged as the undisputed champion of oppressed people and their just causes.

He described France as "by far the most important country in Western Europe" from Pakistan's point of view.

(**The Statesman,** New Delhi)

[Prev. ref. 8845:PAK:A]

G. **Tornado Hits East Wing:** A 25-minute tornado which struck Dacca and Comilla districts of East Pakistan on April 14 left 1,000 killed and 7,000 wounded.

Although the official casualty figure stood at 518 dead and 2,700 injured, unofficial estimates indicated that the final toll may be more than double.

Delayed reports from Homna in Comilla mentioned 300 dead, but the official figure still stood at 192.

The death-roll in Demra, the worst hit area, rose to 600. Only a mosque and one other building were still standing in Demra after the tornado passed. The bazaar was demolished, and telegraph poles were badly twisted.

(**The Statesman,** Calcutta)

[Prev. ref. 7753:PAK:C]

SAUDI ARABIA

A. **Land Reclamation Project:** A sum of 244,925,000 riyals has been earmarked for implementation of the Al-Hasa irrigation and drainage project designed to reclaim a vast territory of lands in 48 villages and two towns in the eastern province.

About 21 per cent of this project was completed in October, 1968 and work was proceeding according to schedule.

Work on this major scheme started on April 11, 1967. It is designed to reform 20,000 hectares of the Al-Hasa area and to improve the irrigation and drainage system. The remaining 16,000 hectares in the area will be irrigated by 330 fountains and artesian wells.

Water will be pumped from these resources by electric power with a capacity of 60,000 kw. Four huge tanks will be constructed to store water which will feed the area.

The Ministry of Agriculture signed a contract with the German firm, Philip Holzman, early in December, 1966 for the execution of the project at a cost of 208 million riyals.

Compensation for expropriation of lands needed by this project has been estimated at 25 million riyals.

(**News from Saudi Arabia)**

[Prev. ref. 7334:SUA:B]

SINGAPORE

A. **Abolition Of Trial By Jury:** New legislation, published on April 9, abolishes trial by jury and provides that a person acquitted of a charge carrying the death penalty may be tried a second time.

Under the Criminal Procedure Code (Amendment) Bill, three judges of the High Court are constituted for a jury in trials of capital offences—hitherto the last remaining preserve of the jury system in Singapore. Their decisions may be arrived at unanimously or by majority. Presumably those acquitted under such decisions would not be liable for re-trial.

However, liability for re-trial, in spite of acquittal, arises where the three judges are unable to reach a decision. In such an event, the relevant section reads: "The Court may acquit the accused or charge him, such discharge not amounting to an acquittal. In either case the accused may be tried before another court consisting of three judges of the High Court other than those who had tried him previously".

(**The Times,** London)

B. **Future Of Gorkha Troops:** The Commander-in-Chief of British Forces in the Far East, Admiral Sir Peter Hill, told newsmen in Singapore on April 11 that all Gorkha troops now serving with the British Far East Command would be deployed in Hong Kong by 1971.

There were now 11,000 Gorkhas serving with the British forces in the Far East, mostly in Brunei and a battalion in Singapore. But their number was going to be cut down. By 1971 there would be only 6,000 Gorkha troops with the British forces in the Far East and all of them would be deployed in Hong Kong.

Sir Peter, who was talking about his task of conducting withdrawal of the British forces from South-East Asia by 1971, said that though no British troops would be posted in the area either on a permanent or rotational basis, units, however, would visit it to train forces of countries from which the British were withdrawing. Britain at present maintains a jungle warfare school which, after the withdrawal, British units would still visit to carry on training.

He added that a sensible defence arrangement had to be made for the area before the British withdrawal and the five Powers—Malaysia, Singapore, Australia, New Zealand and Britain—were evolving such arrangements.

(The Statesman, Calcutta)

[Prev. ref. 8832:AOA:A]

SYRIA

A. Land Reclamation Plan: The 180,000-acre Gharb Valley is being transformed into a fertile, highly productive plain.

This massive undertaking is being engaged in by the Government with the assistance of the FAO and the United Nations Development Programme (UNDP).

Under a two-phase project which when completed will have cost the Government the equivalent of $2 million and the UNDP over $1.8 million, plans are being made for the integrated development of this important area which lies south of the major city of Aleppo between the parallel mountain ranges of Amsarieh and Zawiyeh. Investment needed for initial development schemes is estimated in the region of $100 million. The Government has already produced almost half of this amount.

The prospect of opening up this valley became a reality when soil experts discovered in 1949 that the stretch of water was not a true lake but formed as a result of a landslide which blocked the northern end of the valley. In 1956, under contract to the Syrian Government, a Dutch company blasted out the barrier of rocks and earth and restarted the normal flow through the valley of the River Orontes. Regulations of the river by two big dams, one at Mahardeh and another at Asharneh, resulted in the total disappearance of the "lake" and the emergence of large tracts of cultivable land.

The second phase project, now started, is moving out from the pilot area to carry out a larger scale development scheme which will be later duplicated in other parts of the region.

The scheme calls for the permanent settlement of 5,000 hectares. Villages will be planned; farm holdings marked out and allocated; improved farm layouts as well as more productive agricultural and livestock practices will be introduced; a system of field irrigation works plans will be installed and private holdings re-distributed to fit new irrigation patterns; and special attention will be given to training a team of Syrian engineers and technicians including land settlement officers, agricultural and irrigation engineers, agricultural economists, surveyors, extension experts and co-operative officers. A functional adult literacy training component will also form an integral part of the project.

(UN Newsletter)

VIET-NAM (RVN)

A. Arrest Of Newspaper Chief: Mr. Nguyen Lau, manager of the **Saigon Daily News,** one of the capital's three English-language newspapers, was arrested on April 13 "for activities beneficial to the communists".

A Government spokesman, who announced the arrest, would not give any details about Mr. Lau's alleged activities or say whether any other people connected with the newspaper had been arrested.

Asked whether Mr. Lau had been an agent of the National Liberation Front or North Viet-Nam, the spokesman said: "He worked for a communist organization. We don't make any difference—the NLF and the Hanoi agents are communists."

The newspaper was published as usual, but the spokesman said it was up to the Government to decide whether it should be suspended after an inquiry.

Mr. Lau was the second newspaper executive to be arrested in Saigon in four months. Mr. Pham Van Nhon, of **Viet-Nam Nouveau,** Saigon's only French-language daily, was arrested on similar charges in December, 1968 and is to stand trial soon.

(The Times, London)

ASIA OUTSIDE ASIA

A. World Youth Problems—UN Study: The UN has made its first detailed study of youth problems throughout the world and concluded that anti-social behaviour is an inevitable consequence of developing society.

An 80-page report formed the basis for discussions by the 31-nation UN Social Development Commission between February 17 and March 5. Various UN agencies helped in preparing the report.

It recognized that young people would continue to demand a more active role in national affairs as their country's affluence increased. "The demand to participate is manifest at all levels. University students are prepared to disrupt university life if they do not agree with decisions of the administration.

"Young people of all walks of life are prepared to march, to demonstrate and to riot if necessary in support of views which may not be those of the electorate, nor of the majority nor yet those of the Government."

The report noted that in 1968 there were reports of student demonstrations in 50 countries. "This clamour for attention, this assertion of the right to be heard is a movement which may be expected to continue as the demand for more education extends and as young people begin to realise their strength in national affairs." In both developed and developing countries, the increasing influence of young people on community affairs and their natural impatience and restlessness had had both good and ill effects.

"It is certainly true that a range of behaviour, which is normally understood to be anti-social, ranging from alcoholism to juvenile delinquency and organized criminality is a feature of the progressive urbanization of young people in nearly all countries of the world.".

There were many influences at work. Some could be explained away in psychological terms such as diminishing supervision or control of young people and the pressure of mass living which generated a sense of anonymity.

But other factors were more subtle. "Ethical standards are rapidly changing and the second, if not third, generation affected by the uncertainty about concepts of right and wrong is now in existence."

The report stressed the need for long-term youth programmes within the frame-work of national development. It stressed that, particularly in developing countries, youth and national development were inextricably related.

(UN Newsletter)

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CEYLON

A. Increase In Tea And Rubber Production: Production of tea and rubber reached new highs in 1968. Official estimates placed tea output at 495.6 million lbs. This was 8.9 million lbs more than in 1967.

Exports in 1968 amounted to 460 million lbs—3.6 per cent more than in 1967. The exports did not reach the expected levels because of a strike in Colombo in the early part of the year. The average f.o.b. price for tea rose by 30 cents a lb. in 1968 (rupee prices for exports rising after devaluation of the Ceylon rupee). Export earnings from tea increased by Rs. 10.1 crores to reach Rs. 116.1 crores in 1968.

Rubber output continued its upward trend in 1968 when it totalled 328 million lbs.—an increase of 12.2 million lbs over 1967. The higher output reflected better yields from re-planted acreages.

The output of rubber had been rising steadily over the last several years. Last year's crop of 328 million lbs showed an increase of nearly 100 million lbs over that of 1963.

(**The Hindu,** Madras and **The Ceylon High Commission,** New Delhi)

[Prev. ref. 8237:CEY:F, 8299:CEY:D, 8524:CEY:F]

B. Food Aid From Britain: An Agreement was signed in Colombo on March 28 under which Britain would give Ceylon about £1,000,000 for buying wheat during 1969. Ceylon will pay shipping and other costs.

A Press release issued by the British High Commission in Colombo stated that the aid "fulfils part of the obligation which the UK has accepted under the terms of the Rome Food Aid Convention to provide 225,000 metric tons of grain, or the cash equivalent, each year for three years as aid to developing countries. It is also part of the aid which Britain pledged at the Ceylon Aid Group meeting in March, 1968 (but was subject to the subsequent ratification of the Rome Food Aid Convention)."

Britain also increased to £2,500,000 the interest-free loan for £2,000,000 commodity aid signed in Colombo on October 7, 1968. The additional money will be spent on fertilizers, buses, trucks, motor cycles, and machinery for the State Engineering Corporation.

The £1,000,000 gift of food aid raised the total of new British aid to Ceylon for the past year to £3,500,000 and the total of aid which Britain had provided as a member of the World Bank's Ceylon Aid Group since 1965 to £14,210,000.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 8395:CEY:A]

C. UN Aid For Water Supply Scheme: A Plan of Operation was signed in Colombo on March 27 by Ceylon, the United Nations Development Programme (UNDP) and the World Health Organization (WHO).

It will cover the development, engineering, organization and training aspects of the programme for public water supply, drainage and sewerage for the south-west coastal area. This project will extend over the next two years.

Earlier, UNDP had authorized a one-year preliminary operations project in which similar assistance was provided for several high priority areas, with WHO as the executing agency. Final engineering designs for two of these areas in Galle and towns north of Colombo will be incorporated in the two-year full-scale project.

The UNDP Special Fund allocation for the project is $1,462,400 and the counterpart contribution in kind by the Government of Ceylon is $1,008,700.

(**UN Newsletter**)

D. Trade With India: According to Customs returns, Ceylon exported to India Rs. 2.3 crores worth of goods in 1968. During the previous year, the exports to India were valued at Rs. 1.6 crores.

Imports from India also increased in 1968 from Rs. 12.3 crores to Rs. 15.3 crores.

India was the fourth largest supplier to Ceylon in 1968 after Britain, China and the United States.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 6984:INI:K, 8811:CEY:A]

CHINA

A. Party Congress Adopts Constitution And Political Reports: The Ninth Congress of the Communist Party concluded its session in Peking on April 24 after electing a 170-member Central Committee of the Communist Party of China.

The Chairman, Mr. Mao Tse-tung and the Vice-Chairman, Marshal Lin Piao were re-elected to their respective offices.

The Congress also elected 109 alternate members of the Central Committee.

A Press **communique** issued by the Secretariat of the Congress Presidium made public a list of 279 members and alternate members of the ninth Central Committee of the Communist Party.

The **communique** said that among those elected to the Central Committee were proletarian revolutionaries of the older generation and the new proletarian fighters who had come forth in the great proletarian Cultural Revolution, leading cadres from the various fronts of the Party Government and Army, outstanding Party members working at production posts in factories and rural areas, combat heroes of the People's Liberation Army, Communists engaged in cultural and scientific work and outstanding Communist men and women fighters of various nationalities.

The **communique** was a lengthy document setting out the general domestic and external policy aims of the Party and listing the new Central Committee members.

The General Secretary was not mentioned in the draft constitution circulated last October and there was no reference to the post in the **communique.**

The **communique** emphasized the supremacy of Mr. Mao's thoughts and the need to carry through to the end the revolution in the superstructure including every sphere of culture such as education, literature and art, the Press and health.

It noted in passing "the unevenness in the development of the movement". The accent now was strongly on unity. The Congress underlined the need to "win over and unite all people that can be united".

It stressed the need for a methodical and logical approach to solving problems.

Leading comrades were urged to do their work in a deep-going and meticulous way and overcome the tendency of "falling into generalities".

It said: "The Congress holds that it is essential to further unfold a great mass movement for the living study and application of Mao Tse-tung's thought throughout the country, to study conscientiously the extremely important speeches made by Chairman Mao on several occasions at the Congress, the political report made by Vice-Chairman Lin and the constitution of the Communist Party of China, and to study the historical experience of the struggle between the two lines within the Party over the *past 48 years, particularly since the beginning of the period of the Socialist Revolution.*

"Through such study a clear understanding of the situation, tasks and policies should be acquired, Liu-Shao-chi's counter-revolutionary revisionist line further criticised and its pernicious influence eliminated, so that unity in thinking, policy, plan, command and action will be achieved under the great red banner of Mao Tse-tung thought by the whole Party, the whole Army and the people of all nationalities throughout the country.

"This is the fundamental guarantee for the realization of the various tasks set forth by the Congress and for the achievement of still greater victories.

"The revolutionary cause of the people the world over will definitely triumph. We are fully aware there will still be difficulties and twists and turns on our way forward, and the reactionaries at home and abroad will still put up a last ditch struggle. But all this cannot stop the victorious advance of our great cause of Socialism. Armed with Mao Tse-tung thought, the Chinese people and the Chinese People's Liberation Army are invincible. We are determined to liberate Taiwan; we are determined to defend the sacred territory and sovereignty of our great Motherland.

"Ours is an era in which imperialism is heading for total collapse and Socialism is advancing to world-wide victory, a great era in which Marxism-Leninism-Mao Tsetung thought triumphs all over the world. Let us closely follow the great leader Chairman Mao and advance valiantly to win new and greater victories".

Party Constitution:

Earlier, on April 14, the Congress unanimously adopted the political report presented by Marshal Lin Piao, and the Party constitution.

The new constitution was published on April 28. It put the thoughts of Mr. Mao firmly on the same level as Marxism-Leninism as the cornerstone of the party's ideology. It dropped the hyphen from Mr. Mao's name and the new constitution referred simply to Marxism-Leninism-Mao Tsetung thought.

The Constitution declared: "The Communist Party of China takes Marxism - Leninism-Mao Tsetung thought as the theoretical basis guiding its thinking.

"Mao Tsetung thought is Marxism-Leninism of the way in which imperialism is heading for total collapse and socialism is advancing to world-wide victory."

The new constitution, much shorter and less detailed than the 1945 and 1956 constitutions, consists of a general programme and 12 articles divided into six chapters. It followed fairly closely the draft constitution circulated at the eighth Central Committee's meeting in October, 1968 which later came into the hands of diplomats in Hong Kong.

But there have been some changes of emphasis and in procedure in the final, approved version.

Suggestions in the original draft that it was necessary for the party to carry out constant purging of its ranks have been dropped, and the new constitution presents a picture of a "correct" consolidated party, tempered by long years of struggle.

The new constitution states: "The Communist Party of China with comrade Mao Tse-tung as its leader is a great, glorious and correct party and is the core of leadership of the Chinese people.

"The party has been tempered through long years of class struggle for the seizure and consolidation of State power by armed forces. It has strengthened itself and grown in the course of the struggle against both Right and Left opportunist lines, and it is valiantly advancing with supreme confidence along the road of socialist revolution and socialist construction."

It specifically refers to Marshal Lin Piao and names him as Mr. Mao's successor.

The October draft gave party members the right to present criticism and proposals to the party organizations and to party leaders at each level. If the member did not agree with party decisions or directives he was given the right to pass over his superiors and report directly to the Central Committee and the Chairman of the Central Committee (Mao).

This has been dropped in the final version and instead the member is given the right to "bypass the immediate leadership and report directly to higher levels, up to and including the Central Committee and the Chairman of the Central Committee.

The constitution states: "It is essential to create a political situation in which there are both discipline and freedom, both unity of will and personal ease of mind and liveliness".

If a party member becomes politically apathetic and does not change "despite education", he should be "persuaded to withdraw from the party." Members who violate party discipline can be warned, removed from party posts, put on probation for up to two years, or expelled from the party.

It says: "Proven renegades, enemy agents, absolutely unrepentant persons in power taking the capitalist road, degenerates and alien class elements must be cleared out of the party and not be re-admitted".

Any Chinese worker, poor or lower-middle peasant, revolutionary soldier or any other revolutionary who has turned 18 can join the party. A member must be recommended by two party members and accepted by the local party.

The 1956 constitution stated that the national Party congress should hold office for five years.

The new constitution provides only that it should be convened every five years, but can be convened before the due date or postponed in special circumstances.

On foreign policy, the constitution declared the party's determination to work for the overthrow of imperialism headed by the United States, modern revisionism with the Soviet revisionist clique as its centre and the reactionaries of all countries.

Political Report:

The political report by Marshal Lin Piao contains Peking's basic directives for domestic and foreign policy.

The report was delivered on April 1 at the opening session of the Congress and was officially approved on April 14 after having undergone group discussions by the Congress delegates.

It began with the "great victory" in the two-year Cultural Revolution. It said that during the Revolution the capitalist headquarters "headed by ex-President Liu Shao-chi had been completely smashed and the handful of traitors and capitalist roaders" within the party eradicated.

The first part of the report traced in detail the origins of the Cultural Revolution which it said was "absolutely necessary and in time" to prevent a capitalist restoration in China, to establish proletarian dictatorship and to promote Socialist construction in the country.

The report detailed the struggle between the two lines in China and told the nation that Mr. Liu Shao-chi had opposed Mr. Mao's proletarian policy from the very first.

In the second part, the report said that the Cultural Revolution was led personally by Mr. Mao and all its policies had been decided by Mr. Mao himself. It was a Revolution within the superstructure and directed at "a handful of capitalist roaders within the Party."

The Cultural Revolution first emerged from literature and art circles. The report then in chronological order described the setting up of the Peking Cultural Group, the convening of the 8th Congress' 11th plenary session by Mr. Mao which officially directed the movement into a political struggle, the appearance of Red Guards, and the flourishing of wall posters.

Referring to the new Party constitution, the report said that since November, 1961, the Central Committee had received several thousand drafts. The final draft was drawn up by the 12th plenary session of the Central Committee in October, 1968 and submitted for new discussions by the party and revolutionary masses.

One section concerned China's relations with foreign countries. It quoted Mr. Mao as saying: "The enemy rots with every passing day, while for us things are getting better daily."

"On the one hand, the revolutionary movement of the proletariat of the world and the people's of various countries is vigorously surging forward. The armed struggle of the people of South Viet-Nam, Laos, Thailand, Burma, Malaya, India, Palestine and other countries and regions in Asia, Africa and Latin America is growing in strength."

The report said that "an unprecedented gigantic revolutionary mass movement has broken out in Japan, Western Europe and North America".

Describing the United States as "a paper tiger", the report said that President Richard Nixon had to play "counter-revolutionary dual tactics, ostensibly assuming a peace-loving appearance while in fact engaging in arms expansion and war preparations on a still larger scale".

The report noted: "'We must on no account ignore the danger of US imperialism and Soviet revisionism launching a larger-scale war of aggression. We must make full preparations, preparations against their launching a big war and against their launching a conventional war and against their launching a large-scale nuclear war".

Sino-Soviet Border Issue:

The report made a lengthy review of the Sino-Soviet border dispute.

It said: "Like boundary questions between China and some of her other neighbouring countries, the Sino-Soviet boundary question is also one left over by history. As regards these questions, our party and Government have consistently stood for negotiation through diplomatic channels to reach a fair and reasonable settlement. Pending a settlement, the **status quo** of the boundary should be maintained in order to avoid conflicts. Proceeding from this stand, China has satisfactorily and successively settled the boundary question with her neighbouring countries such as Burma, Nepal, Pakistan, the People's Republic of Mongolia and Afghanistan. Only the boundary questions between the Soviet Union and China and between India and China remain unsettled to this day.

"The Chinese Government held repeated negotiations with the Indian Government on the Sino-Indian boundary question. As the reactionary Indian Government had taken over the British imperialist policy of aggression, it insisted that we recognize the illegal McMahon Line which even the reactionary Governments of different periods in old China had not recognized and moreover, it vainly attempted to further occupy the Aksaichin area, which has always been under Chinese restriction, thereby disrupting the Sino-Indian boundary negotiations. This is known to all.

"The foreign policy of our party and Government is consistent. It is: to develop relations of friendship, mutual assistance and co-operation with socialist countries on the principle of proletarian internationalism, to support and assist the revolutionary struggles of all oppressed people and nations, to work for peaceful co-existence with countries of different social systems on the basis of the five principles of mutual respect for territorial integrity and sovereignty mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence and to oppose the imperialist policies of aggression and war. Our proletarian foreign policy is not based on expediency, it is a policy in which we have long persisted. This is what we did in the past and we will persist in doing the same in the future."

The report said the United States and the Soviet Union were always trying to isolate China. "Their rabid opposition to China cannot do us the slightest harm; on the contrary, it serves to further arouse our people's determination to maintain independence and keep initiative in our own hands, rely on our own efforts and work hard to make our country prosperous and powerful. It serves to prove to the whole world that China has drawn a clear line between herself on the one hand and US imperialism and Soviet revisionism on the other."

Marshal Lin Piao said China firmly supported the Albanian people in their struggle against imperialism and revisionism, the Viet-Namese people in their war against USA and the revolutionary struggle of the people of Laos, Thailand, Burma, Malaya, India, Palestine and other countries in Asia, Africa and Latin America.

The report added that the Chinese people and army were determined to liberate Taiwan and "resolutely, thoroughly, wholly and completely wipe out all aggressors who dare to come".

First Plenary Meeting Of Central Committee:

The first plenary meeting of the new 279-man Central Committee was held in Peking on April 28.

The plenary meeting, chaired by Mr. Mao Tse-tung who "made an extremely important speech", also elected a new Politburo of 21 full members and four alternate members.

Also elected at the meeting was a five-man Politburo Standing Committee comprising Mr. Mao, Marshal Lin Piao, Mr. Chou En-lai and top Cultural Revolution Bureau officials, Mr. Chen Po-ta and Mr. Kang Sheng.

(**The Times**, London, **The Times of India**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 8787:CHI:A, 8909:CHI:A]

B. **Trade Agreement With Finland:** China and Finland signed in Helsinki on April 22 an Agreement on the exchange of goods this year.

The value of the exchange was estimated at 62 million marks (some £6.2 million sterling).

The main Finnish export item to China is fertilizers totalling 30,000 tons. Among other export items is 30,000 tons of paper cellulose.

Other Finnish export items are paper products, copper products and products of the metal, machinery and shipbuilding industry.

China sells to Finland traditional goods, including 35,000 tons of soyabeans.

China also exports rice, textiles, tin, fruits, canned fruits, chemicals and medicines.

The value of this year's trade is approximately the same as in 1968.

(**The Times**, London)

[Prev. ref. 5592:CHI:E]

INDIA

A. **Late Dr. R. M. Lohia's Election To Lok Sabha Declared Void:** Mr. Justice Ramabhadran of the Allahabad High Court declared void on May 14 the election of the late Dr. Ram Manohar Lohia to the Lok Sabha from the Kannauj constituency in the last General Election and pronounced Mr. S. N. Mishra (Congress), a senior advocate of Allahabad, as elected in place of Dr. Lohia.

Mr. Justice Ramabhadran passed these orders while allowing a petition filed by Mr. Mishra against the election of Dr. Lohia.

According to the result declared after the election, Mr. Mishra was defeated by 472 votes. On a re-scrutiny and re-counting of votes conducted by the Additional Registrar of the Allahabad High Court on the orders of Mr. Justice Ramabhadran, it was found that Mr. Mishra had polled 1,008 votes more than the late Dr. Lohia. There were 464 disputed votes.

Mr. Justice Ramabhadran said that even if all the disputed ballot papers were held to be valid and cast in favour of Dr. Lohia, even then Mr. Mishra received 94,308 votes and the late Dr. Lohia 93,754.

In other words, Mr. Mishra secured 554 votes more than Dr. Lohia.

(**National Herald**, Lucknow)

[Prev. ref. 7990:INI:Q]

B. **UP Assembly By-election—Congress Gets Absolute Majority In State Assembly:** The ruling Congress Party in Uttar Pradesh secured an absolute majority in the Legislative Assembly on May 12 by victories in two prestigious by-elections in Sarojini Nagar (Lucknow) and Powayan (Shahjahanpur) constituency.

Mr. Vijay Kumar Tripathi, Congress candidate in Sarojini Nagar, defeated the Jana Sangh-backed nominee of BKD, Mr. Brij Bhan Singh, by over 10,000 votes. Mr. Tripathi secured 24,106 votes while Mr. B. B. Singh polled 13,455 votes.

In the Powayan constituency, the BKD-backed Jana Sangh nominee, Mr. Dharamjeet, was defeated by the Congress candidate, Mr. Roop Ram, who won by about 6,000 votes.

(**National Herald**, Lucknow)

[Prev. ref. 8812:INI:A]

C. **Kerala-Tamil Nadu Inter-State Rivers Agreement:** An inter-State Agreement on the sharing of the waters of the Parambikulam Aliyar and Bhavani system was signed in Trivandrum on May 10 by the Chief Ministers of Tamil Nadu and Kerala.

The Agreement followed a conference held earlier presided over by the Central Minister of State for Irrigation and Power, Dr. K. L. Rao.

Speaking to newsmen after the signing of the Agreement, the Tamil Nadu Chief Minister, Mr. M. Karunanidhi expressed his gratitude to Dr. K. L. Rao as also to Kerala's Chief Minister, Mr. E.M.S. Namboodiripad for their efforts at bringing about a settlement of the issue.

(**The Hindu**, Madras)

[Prev. ref. 7521:INI:Q]

D. **Andhra Naxalites' Secret Plans For Revolution:** A despatch on May 10 stated that Andhra Naxalites, who had so far stayed out of the newly-formed all-India party, had produced a secret blueprint for revolution and the formation of yet another Maoist Party wedded to the concept of overthrowing the established Government of the country.

The blue-print, circulated among top-ranking functionaries of the extremist group led by the expelled Marxist leader, Mr. T. Nagi Reddy, follows faithfully the Maoist strategy of starting a revolution in the mountains, gradually coming down to the plains and ending with the encircling of major towns and their capture.

In fact, Mr. Nagi Reddy and his followers appear to have evolved a revolutionary strategy in no way different from that of the all-India Naxalite Party, formed recently in Calcutta (see page 8769). The first in priority is forcible capture of the lands of big landlords for distribution to the landless. This is to start in the forested mountains and in the contiguous areas. As the so-called people's revolt gathers momentum the party is to extend its activities to the plains and then to the towns, leading to the ultimate overthrow of what the document calls the "big bourgeois landlord rule."

The document spells out what should be done immediately and where. To begin with, the Girijan tribal revolt, now being sustained by the Calcutta Naxalite group in the Srikakulam area, is to be fully supported. There are other pockets in Andhra and adjoining areas—in the dense forests of Warangal, in Khammam, East Godavari and Visakhapatnam, Karimnagar, Adilabad, as also in Bastar where, in the opinion of the Nagi Reddy group, conditions are ideal for launching revolutionary activities.

A start is to be made in usurping the lands of the bourgeoisie and of the Government during this year's Monsoon season. To counter possible punitive moves by the Government, a volunteer corps armed with locally available weapons, including spears, arrows and axes is to be formed after due training in self-defence technique.

(**The Statesman**, Calcutta and **The Hindu**, Madras)

[Prev. ref. 8711:INI:W]

E. **New Naxalite Party Manifesto:** The newly-formed party of the Naxalites — the Communist Party of India (Marxist-Leninist) —in a draft manifesto released on May 7 committed itself to the task of "liberating rural areas through revolutionary armed agrarian revolution."

As a first step towards this goal, it says, the party wanted the youth —more advanced in the theory and practice of Maoism—to go to villages and work among peasants to carry out "revolutionary political propaganda."

The working class and other sections of the "toiling masses" were, however, not being ignored. The party's task among them was to "build up class struggles and organize democratic movements."

But the aid of the movements among the working class, it said, was only to help the "agrarian revolution" which is the "principal task of people's democratic revolution under the banner of the thoughts of Chairman Mao."

It branded the two other communist parties as "counter-revolutionaries" and said: "We must reject the hoax of parliamentarianism and accomplish the people's democratic revolution through revolutionary people's war by uniting the fighting masses in a revolutionary way under the leadership of the Communist Party and the working class and on the firm basis of workers-peasants alliance."

(The Hindustan Times, New Delhi)

[Prev. ref. 8769:INI:M]

F. CPI (M-L) Draft Political Resolution: The newly formed CPI (M-L), in its draft political resolution circulated to members in Calcutta in May 15 in the context of the party's first congress in October, emphasized the need to internationalize the national liberation movements in different countries under the leadership of Mr. Mao Tse-tung.

The draft resolution said that world history had entered a new epoch—and that this was the era of Maoism. The task of all revolutionaries in this era was to take "the pledge of uniting with the great people of China, establishing unity with the liberation movements in different countries to develop a revolutionary united front, and destroying imperialism and its main collaborator, modern revisionism."

In the Indian national context, the draft resolution stated that "an excellent revolutionary situation" existed because all the fundamental contradictions between the toiling people and the exploiting classes had considerably increased and also because the ruling classes were now facing a more intense political and economic crisis than at any time before.

Substantiating the contentions in the draft resolution by quoting long passages from Mr. Mao's writings, the new party's leadership explained that the national task today was to advance on the basis of a united front of all revolutionary classes, mainly of the peasants and the working class, for an armed seizure of power. The main strategy would be a peasants' guerrilla war led by the working class.

According to the thesis, the big feudal lords and the collaborationist bureaucratic bourgeosie wielded the real power in the Indian State. It enumerated four enemies of the Indian people—American imperialism, Soviet social-imperialism, feudalism and collaborationist bureaucratic capital.

In an analysis of the Communist movement in India during the last 40 years, the draft resolution said that the leadership had all the time been betraying the cause of the revolution. One reason why the movement had suffered from both Right and Left deviations was that the Communist Party as the party of the working class had never seriously taken into account the role of the peasantry in the agrarian revolution.

(The Hindustan Times, New Delhi and **The Statesman,** Calcutta)

[Prev. ref. 8769:INI:L, 8912:INI:F]

G. "Muslim Sena" Formed In Delhi: The Minister of State for Home Affairs, Mr. Vidyacharan Shukla, said in the Rajya Sabha on May 14 that a "Muslim Sena" had been formed in Delhi.

In a written statement, he said: "According to information furnished by the Delhi Administration, Dr. Z. Abbas Malik, municipal councillor, Delhi, announced at a public meeting on February 25, 1969 that he proposed to set up a volunteer corps to provide protection to the religious places of Muslims and to safeguard generally the community's interests in Delhi.

"On April 19, 1969, Dr. Malik said that the organization would be a 'Muslim Sena.' About 20 to 22 volunteers are reported to have appeared in public for the first time on the evening of April 24, 1969, when a public meeting was held in Urdu Bazar.

"Action under the law will be taken in case any unlawful activities come to notice."

(The Times of India, New Delhi)

[Prev. ref. 8676:INI:T]

H. Bus-Train Collision: Twenty-one persons were killed and 35 injured when a private bus collided with the Agra-Bareilly Passenger train at a level crossing between Manzoorgarhi and Aligarh railway stations of Northern Railway on May 12. The gate of the level crossing was open.

Fifteen persons died on the spot, four died on their way to hospital and two succumbed to their injuries in hospital at Aligarh.

The ill-fated bus was carrying a marriage party of 57 persons from Chidhera village in Bulandshahr district to Udhera village in Mathura district. The bridegroom, Mr. Karan Pal, had a providential escape but his father, Mr. Ram Lal, was killed on the spot.

As a result of the collision, the bus was sliced into two. The front portion fell into a ditch and caught fire. The driver and four other passengers were burnt to death. The rear portion of the bus got entangled in the train, and was dragged along for about a furlong where the train stopped. The bodies lay strewn all along the rail track.

(The Times of India, New Delhi)

[Prev. ref. 8274:INI:A-1]

I. Kashmir Plateau Sinking: A Srinagar despatch on May 11 stated that an area of three square miles of a plateau in Chadura block, south-east Kashmir, was sinking at a fast pace, threatening five villages with a total population of 5,000 people.

Mud was moving towards the adjacent Lulipura village (population 1,000) which was facing an immediate threat.

About 53 villages along a 35-mile stretch in the Srinagar and Baramulla districts were in hazard as they lay on a sliding belt of land over an unstable rock formation.

The tableland had at various points sunk 10 to 40 feet, burying trees and standing crops.

A team of geologists was said to be examining the soil structure of the area, which was devastated by an earthquake in 1963.

According to villagers, the plateau began to sink with a rumbling sound. But rain on May 9 had accelerated the pace of subsidence of the plateau. A stream that passes through Lulipura had become wider and deeper during the last few days of heavy rain. Some 60 peasants have had all their fruit trees and agricultural crops submerged under the moving earth. Many new streams had started flowing in this area which till the other day was a high and dry plateau.

(The Statesman, New Delhi)

INDONESIA

A. Trouble In West Irian: Radio Australia reported on May 6 that trouble had started in West Irian ten days before with tribesmen revolting against the Indonesian Government.

The report was confirmed by Indonesian officials in Djakarta who said that the revolting tribesmen had blockaded five airfields.

They said three problems had caused the flare-up:

(1) A district chief in the regency, Wan Mafma, refused to be transferred to another area by the Government. "He was not a good district head."

(2) Some tribesmen wanted the town of Enaratoli to become the capital of the Paniai regency instead of the less central coastal town of Nabira.

(3) Police salaries had not been raised as had civilian salaries. "Some policemen were, therefore, easly influenced by the rebels."

The officials believed the leaders of the movement were mixed up with the so-called "free Papua movement" which wants an independent West Irian.

The Government, meanwhile, denied an Australian broadcast report that rockets had been used in Enaratoli.

On May 7, officials claimed that crack para-commandos were seeking out rebel tribesmen who had been forced to retreat into mountain jungles from the towns.

They said the operations against the rebels had restored Government rule in the mountain towns of Enaratoli and Waghete.

Mr. A. Malik's Statement:

The Foreign Minister, Mr. Adam Malik, told newsmen on May 7 that he expected more trouble in West Irian before the Act of Free Choice, to decide the former Dutch territory's future, was completed in August.

He said that the current trouble in the central western highlands of West Irian, where primitive tribesmen were defying Indonesian rule, was confined to a small number of people. "The situation there is now under control."

The trouble had involved "only several people" who had been incited by a local district chief, Wan Mafma, who refused to be transferred to another place. "You cannot call it a rebellion," he said. Such incidents had happened often in West Irian.

He said that he was planning to visit West Irian, "if possible before August and take some foreign Ambassadors with me."

He declared that the Act of Free Choice in West Irian would go on as scheduled despite trouble with rebel bands in several parts of the territory.

In an interview with **Antara,** he said: "The Indonesian Government is resolved to conduct the Act of Free Choice in West Irian within the next three months. The Government plans are to complete the Act to decide the territory's future before August 17, Indonesia's National Day."

He said his Government did not mind anti-Indonesian West Irianese pursuing their opposition in a democratic way. "These will be tolerated. But once they pursue these aims by fomenting trouble, they will be arrested."

Background:

In July and August of this year, the people of West Irian, formerly Dutch New Guinea, will be called on to decide their political future. Under the Act of Free Choice, secured for them by United Nations, they will vote in a mini-referendum which will lead to independence or to final integration with Indonesia.

Free choice is a somewhat euphemistic term, partly because most of the region is still at a stone-age level of development, with only rudimentary communications and partly because the poll will not be held on a "one-man one-vote" basis. Instead, an assembly of 1,000 representatives is to be elected which will resolve the issue.

Since 1962, when the Dutch were forced out after a long struggle that showed them to have no reliable friends in or outside the Island, the new masters have worked hard to gain local support, but with only limited success. In name Indonesia is merely a temporary trustee, but it has not acted on this assumption. In fact it is far from certain that Dr. Sukarno, when he agreed to an eventual plebiscite, had the genuine article in mind. At that time any proposal to save the face of the Dutch and oust their rule cheaply found him a willing taker.

Dr. Sukarno might have expected that seven years would suffice to gain the unquestioning allegiance of what he called "true Indonesians of Papuan stock". But he could not keep the promises he made them because "confrontation" with Malaysia left him short of funds. In less than three years he had squandered much goodwill even among the small number of educated locals who had favoured unity with Indonesia on the ground that it would give them a greater say in the running of affairs. Governor Boney, of native blood and originally an enthusiast for Indonesia, was arrested for unco-operative behaviour, and another pro-Sukarno man, L. Mandatjan, an important tribal leader, started to organize armed resistance and denounced the coming referendum as a fraud.

There was dissatisfaction over best jobs going to Javanese. Road construction—West Irian's most urgent need—was neglected while prestige buildings went up in Jayapura (then Sukarnopura and formerly Hollandia). Village reforms were largely shelved.

When Indonesia returned to United Nations, Mr. Malik promised that the referendum would be held in accord with the 1962 terms. The world Organization then freed $30 million frozen when Indonesia left UN and appointed a special commission to watch over its spending. Gen. Sarwo Edhie, popular for his leadership of the liberation campaign, was made commander and head of public security.

Under the 1962 agreement Indonesia has the right to determine the actual terms of the referendum. In 1968 another UN commission was sent out to supervise it, but so far it seems to have kept strictly in the background. No one yet knows for certain how the question to be voted on will be worded.

For the Indonesians themselves, the legalised acquisition of West Irian will be a mixed blessing. The country is too poor to add to the Republic's export earnings. For a long time yet it will be a drain on its revenue and on administrative talent. With unrest still widespread in certain parts of Indonesia, the Government cannot afford to cut down on funds earmarked for the new territory, lest discontent there should flare into open revolt.

Yet West Irian need not be a dead loss for ever. It is now thought that the country is far richer in minerals than was previously believed. If in the next few years the Australian-held parts continue to make economic progress at the present rate, demands in West Irian to follow the example are likely to become vociferous. In the end it is a question of capital and investment.

Indonesia has nothing to spare, but it is inviting Japanese, German and even Dutch consortia to take a hand. Once the main island starts moving again towards prosperity—a realistic prospect in view of Indonesia's natural wealth—the outlook for West Irian will become brighter. Indonesia began its drive for West Irian under nationalist and socialist slogans. It may discover that to turn loss into gain it might have to throw the country open to penetration from abroad in a manner never foreseen when the old colonialists were evicted.

(**The Statesman,** Calcutta and **The Hindu,** Madras)

[Prev. ref. 8556:IND:A]

B. President Suharto Defends Action Against Communists: President Suharto said on April 26 that the purge of Communists did not signify hostility towards Communist countries.

In a speech at the Presidential Palace in Djakarta, he said: "In line with our independent and active foreign policy, the elimination of Communist remnants and elements of the **coup** (1965 abortive communist **coup**) does not signify that Indonesia is hostile to countries following communism."

He was speaking at a ceremony installing Dr. Arifin Harahap, former Trade Minister, as the new Indonesian Ambassador to Algeria.

He said: "We shall not interfere in the internal affairs of countries which follow the Communist line because Communism may suit the identity of those countries and may have become the will of their peoples."

This speech followed his decision to postpone a planned State visit to Yugoslavia.

He said Indonesia respected the rights of other nations to adapt their outlook to conditions in their countries. "But certainly the attitude of friendship will not come from one side. The other side needs to show a reciprocal attitude."

He said the ban of the Indonesian Communist Party had principal reasons—the party had conducted revolts twice against the State.

He said Indonesia would co-operate and be friendly to every country in the world "disregarding the country's political and social system", and "we only want the country to reciprocate our attitude."

(**The Statesman,** Calcutta)

[Prev. ref. 8695:IND:B]

JAPAN

A. Okinawa Day Rallies: Protest rallies were held throughout Japan on April 28 marking the 17th anniversary of occupation of Okinawa and separation of the island from Japan under the San Francisco Treaty.

Violence erupted in central Tokyo in which large forces of police armed with water cannon and tear gas held most of the initiative, preventing attacks on the United States Embassy and the office of the Prime Minister, Mr. Eisaku Sato. About 6,000 students were arrested and more than 50 people were reported injured in the riots.

A crowd of about 100 students attacked the Prime Minister's private residence when Mr. Sato was at home, in conference with the Foreign Minister, Mr. Kiichi Aiichi. Slight damage was done, but the students were driven off.

There were about 250 "Okinawa Day" rallies throughout Japan in which about 100,000 people took part. Most of them were peaceful, as was the huge joint rally of 40,000 socialists and communists in Tokyo itself—the first such joint rally for many years. It is Socialist and Communist Party policy not to engage in violence.

Most of the serious violence in Tokyo occurred at railway stations. A few carriages were burnt and one police box destroyed. Train services were brought to a halt.

Altogether about 5,000 students took part in the riots, wearing helmets and carrying staves. However, they were unable to concentrate their forces and made little progress towards their main targets—the US Embassy and the Prime Minister's office.

However, the student demonstrations misfired and few workers joined the students in battle, although there were many onlookers. It was the first time the students fell far short of their professed aim. One reason was the overwhelming strength of the police which had about 12,500 men on duty in Tokyo. Another reason was stated to be that rioters now face stiffer legal penalties. Under the anti-riot provisions of the penal code, rioters may in future go to prison for two to three years.

A further explanation of the students' lack of success was that the public had grown a little weary of them. They were no longer the novelty they were two years ago. Several hundred of their leaders had been held in prison for months already.

In all 965 people were arrested,—a record since the War.

The Japan Socialist Party said that violence by extreme Left-wing students only gave the Government an excuse to implement suppressive policies. The riots had done nothing to further their stated objective—the return of Okinawa to Japan by the United States.

The Democratic Socialist Party pointed out that the radical Zengakuren students who rioted had revolution as their aim and were not to be confused with the normal student movements.

The Communist Party dismissed the student extremists as "Trotskyite gangs" and the Buddhist Komeito Party was also severely critical of their behaviour.

One fear of all Opposition parties was that student violence might play into the hands of the ruling Liberal-Democratic Party at the next elections, expected later this year or in early 1970.

Final police reports showed that damage estimated at 225 million yen (£260,000) was caused to buildings, much of it round Tokyo station and the Ginza shopping area. The police collected a tally of 627 staves, 222 iron pipes and 16 petrol bombs.

(**The Japan Times,** Tokyo and **The Times,** London)

[Prev. ref. 8802:JAP:B]

B. Harbour Development Plan: The Port and Harbour Council, in a report to the Transport Minister, Mr. Ken Harada, has recommended that 400 ports and harbours in the country should be expanded and modernized in the next five years to ease congestion and to facilitate full-scale operation of container ships.

The Council is the advisory body of the Minister. It had been discussing the five-year plan drafted by the Transport Ministry in accordance with Cabinet policy.

The recommendations said the following steps were necessary, among others, to bring the Japanese ports and harbours to a level fully matching the trend for vessels to become larger in size and faster in speed:

(1) Construction of 78 berths for liner use at nine foreign trade ports, such as Tokyo, Nagoya and Shimonoseki, as well as 17 container ship berths at the ports of Tokyo, Osaka and Kobe.

(2) Development of port-harbour facilities at 12 ports, such as Niigata and Kashma, to accelerate industrial progress in such regions.

(3) Building of large and deep berths for domestic marine transportation at 313 ports.

About 800,000 million yen ($2,220 million) should be allocated for these construction and development works, according to the Council. If the project works successfully, the present congestion of the six biggest ports will be eased to a large extent with the ratio of anchoring ships to total incoming and outgoing vesssels dropping below 10 per cent in fiscal 1972 from the 12..9 per cent recorded in 1967.

(**The Japan Embassy**, New Delhi)

[Prev. ref. 7114:JAP:C]

MALAYSIA

A. **Islamic Conference:** Representatives of 23 nations participated in an International Islamic Conference held in Kuala Lumpur from April 21 to 27.

Delegates and observers from Algeria, Morocco, Tunisia, Libya, Sudan, Somalia, United Arab Republic, Turkey, Jordan, Lebanon, Saudi Arabia, Kuwait, South Yemen, Iran, Afghanistan, Pakistan, India, Ceylon, Thailand, Malaysia, Indonesia, Singapore and the Philippines attended.

The Conference urged Muslim nations to discuss the issue of Jerusalem and Israeli aggression and take steps for recovery of the Holy City and usurped territories of Islamic nations.

A resolution to this effect was sponsored jointly by Pakistan and Tunisia and was supported by India, Malaysia, Jordan and Lebanon.

The resolution condemned Israel for having usurped Arab territories, in particular Jerusalem. It called upon all Muslim nations to support Palestinians in their efforts to recover Jerusalem and other territories.

The resolution also called upon Islamic nations to aid Palestinian people, who had become the victims of Israeli aggression, with all possible succour and aid.

A three-man delegation from the Palestine Liberation Organization, El Fatah, which was barred from the Conference when it arrived two days earlier, was allowed on April 26 to hear the debate. The three members, who said earlier that they wanted the Conference to call for a **Jehad** (holy war) supported by all Muslim nations, declined to comment on the resolution.

Their leader and publicity chief, Mr. Abu Hisham, was also invited to meet the Prime Minister, Tengku Abdul Rehman.

The Conference, the first of its kind, also recommended reduction in trade competition between Muslim nations in order to increase the volume of their trade.

It stressed the necessity to start joint ventures by Muslim countries, exchange of technical experts, trade displays and closer co-ordination between Muslim Chambers of Commerce.

Among other decisions were the acceptance of transplanting of the cornea and the hearts between Muslims and non-Muslims and the practice of family planning.

The Conference recommended that Malaysia, the host country, should be the co-ordinating authority among the Muslim countries until the next international conference was held.

It also recommended the setting up of an Islamic news agency to facilitate the exchange of factual news among Muslims.

A resolution on the "propagation of Islamic teachings" adopted at its plenary session called for co-operation between news agencies in Islamic countries as a first step towards the establishment of the proposed Islamic news agency.

The Conference also decided that: insurance based on interest was forbidden but may be practised on a co-operative basis, and experts should get together to try to produce a uniform Muslim calendar fixing the fasting and festival periods for Muslims.

The Conference reached no agreement on whether present methods of banking and interest-earning were permissible and this was put off for further study.

At the closing ceremony on April 27, the Tengku warned that there was a real danger of the West Asian conflict escalating into a religious war.

Referring to a report on the West Asian situation given by the Arab delegation at the Conference, he said: "There can be no doubt about the seriousness of the situation.

"There is obvious sympathy for our brother Muslims and unless settlement with the Arabs is reached, there is a real danger of the conflict escalating into a religious war.

"It is my hope and prayer that the Big Powers in this world will use their best efforts to try to settle this explosive issue as quickly as possible".

He added: "The religion of Islam is not a dead religion as others want to believe. It is very much alive and Governments of Muslims countries should realise this and give it encouragement and incentive, which it so richly deserves".

(**The Malayan Times**, Kuala Lumpur and **The Hindu**, Madras))

[Prev. ref. 8234:PAK:H, 8941:MAL: A]

B. **Penang-Kelantan Road Project:** Malaysia is planning a new road spanning the far north of the country that could revive the economy of the north-west island State of Penang and bring prosperity to Kelantan in the north-east.

The 185-mile road from Butterworth—in Penang State but on the mainland—to Kota Bahru in Kelantan would cut to five or six hours and by about 400 miles a road journey that now takes two days.

The road would cost about £20 million and take five years to build and now the United States, Canada, Japan and Denmark have all offered to carry out a feasibility study which would cost about £400,000 with Malaysia paying only local minor costs.

The planned highway had been in the melting pot for about 10 years, but earlier this year the Deputy Prime Minister, Tun Abdul Razak, indicated the matter was getting greater priority, and the Transport Minister, Haji Sardon Zubir, said work had started on aligning existing roads along the port.

The greatest supporters of the project are the people of Penang with its docks at Butterworth and on the island itself. They believe the road will help revive an economy which has not recovered from the fall-off in trade caused by Indonesia's confrontation with Malaysia from 1963 to 1966. They are supported by the Malaysian International Chamber of Commerce.

(**The Malayan Times**, Kuala Lumpur and **The Hindu**, Madras)

NEPAL

A. **Pro-Panchayat Campaign In Villages:** According to a Palace **communique** issued in Khatmandu on May 9, King Mahendra had entrusted to Mr. Vishwabandhu Thapa, former Vice-Chairman of the Council of Ministers and now a member of the King's special advisory council, the conduct of the "go to the village" national campaign in an organized manner. Mr. Thapa will head a 17-member managing committee.

This campaign was launched in December, 1967 after Nepal's National Panchayat had given a mandate in September, 1967 that only non-party panchayat system was suitable for Nepal.

(**The Statesman**, Calcutta)

[Prev. ref. 8857:NEP:B].

B. Susta Border To Be Re-located: A joint survey to "re-locate" the border in the Susta region was agreed on during a meeting between Indian and Nepalese Foreign Ministers in New Delhi on May 6.

At the talks, agreement on a fresh survey was reached. This symbolized the large measure of agreement on ways to remove various irritants between the two countries.

Talks on the Susta border, where pillars had either been washed away because of the change in the course of the Gandak or had crumbled had ended inconclusively at Balmikinagar, Nepal.

(**The Statesman,** New Delhi)

C. American Mountaineers Killed: Seven members of the American expedition to **Dhaulagiri** were killed in the last week of April by an avalanche as they advanced further from their base camp.

The accident was described in climber circles as the worst in the mountaineering history of Nepal.

The expedition consisted of 10 Americans and four sherpas.

The American Ambassador in Nepal, Mrs. Carol C. Laise, confirming the tragedy gave the name of those killed. They were Boyd Everett, leader, Paul A. Gerhard, John Vincent, Hoeman, David Siedman and Dr. William Ross. The two sherpas killed were Tenzing and Pem Putra.

The American team had left Khatmandu on April 1 to conquer the 26,975-feet-high **Dhaulagiri** peak without the help of oxygen. Detailed information was lacking. Attempts made by a helicopter to contact the party ended in failure because of bad weather. The party was reported to be near Jomosom in West Nepal, a little ahead of Pokhra.

(**The Times of India,** New Delhi)
[Prev. ref. 8857:NEP:B]

D. "Tukuche" Peak Climbed: The Foreign Ministry announced on May 13 that a five-member Swiss expedition had scaled the 22,682-feet **Tukuche** Peak on May 10.

The expedition, led by Dr. G. G. Hartmann, reached the summit in 24 days. The expedition had been held up for five days by heavy snow at Dambas Pass at a height of 15,000 feet.

Tukuche in Western Nepal was a virgin peak. It was never attempted before.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8519:NEP:A]

PAKISTAN

A. World Bank Loan: The World Bank announced on May 7 an $ 8-million loan to assist expansion of the natural gas pipeline system in the northern part of West Pakistan.

The loan will be made to the Sui Northern Gas Pipelines Limited (SNGPL) and will be guaranteed by the Republic of Pakistan.

The Bank announcement said: "With the assistance of this loan, SNGPL will increase the capacity of its natural gas pipeline system from 172 million to 207 million cubic feet a day."

(**World Bank Press Release**)

[Prev. ref. 8609:PAK:A]

SINGAPORE

A. Economic Relations With Indonesia: A 22-member mission led by the Finance Minister, Dr. Goh Keng Swee, returned on March 30 from Indonesia after a ten-day visit during which it got approval in principle from the Indonesian Foreign Investment Committee for investment of nearly $20 million in Indonesia by Singapore businessmen.

The mission was the first Singapore had sent abroad for investment. All the earlier missions to Africa, Europe, the United States, Japan and other countries were for either greater trade or soliciting foreign investment in Singapore.

Summing up, Dr. Goh said his mission had made a "real breakthrough" in relations between Singapore and Indonesia, which had been constantly plagued by suspicions of Indonesia about Singapore in that Singapore businessmen thrived on smuggled goods from Indonesia and that Singapore Chinese operated closely with Indonesian Chinese in illegal practices.

Dr. Goh said that in his talks with President Suharto smuggling was mentioned, but he had assured Indonesia that Singapore would do its best to cut out smuggling.

(**The Hindu,** Madras)

[Prev. ref. 8725:SGP:A]

B. World Bank Loan: A loan of $20.5 million by the International Bank for Reconstruction and Development (IBRD) to assist the Public Utilities Board of Singapore in financing the continued expansion of its electric power distribution system has been officially announced.

The Public Utilities Board (PUB) is an autonomous public corporation responsible for Singapore's electricity, water and gas utilities. Four previous World Bank loans, totalling $53.7 million, assisted in financing earlier PUB projects for electric power generation and distribution and water supply.

(**UN Newsletter**)

C. Diplomatic Ties With Israel: On May 10, Singapore became the first country to establish diplomatic relations with Israel after the Arab-Israeli war of 1967.

Actually, several countries of the socialist bloc had severed diplomatic relations with Israel following the June war.

(**The Statesman,** Calcutta)

[Prev. ref. 8004:IRN:A]

THAILAND

A. IFC Assistance For Construction Materials Industry: The International Finance Corporation (IFC), a World Bank affiliate for investment in private business, has decided to help finance a $60 million expansion of the construction materials industry, a key factor in Thailand's economic growth.

The investment drew record backing by ten major private financial institutions in the United States and in Europe. IFC is committing $22.1 million to help finance expansion of Thailand's biggest building materials producer, the Siam Cement Group of companies.

Private financial institutions bought for their own portfolios $14.1 million, or 64 per cent, of the IFC commitment. This exceeded considerably participation in any previous IFC investment.

IFC's transaction with the six-company Siam Cement Group involves financing five separate but inter-related companies which are carrying out four capital expansion programmes. A financing plan was worked out for the project to serve the dual purpose of providing funds as needed to the four expansion programmes, and to make possible extensive participation by private foreign investors.

The Siam Cement Group industries being financed include a cement plant, a 150,0000-ton steel rolling mill, an asbestos cement sheet plant and a concrete pipe plant. Siam Cement Group companies produce and sell most of the cement and other building materials used in Thailand. The Group is one of the largest cement manufacturers in Asia.

IFC's commitment in the form of an $18 million loan, and equity investments totalling approximately $ 4.1 million.

(World Bank Press Release)

B. Mishandling Of Meo Trouble: In a speech delivered recently before university students in Bangkok, King Bhumibol Adulyadej rebuked his Government for mishandling a tribal revolt that had grown into a jungle war.

The King warned that the conflict foreshadowed incessant trouble unless the authorities succeeded in undoing their mistakes.

He spoke of a lack of co-ordination between the police and the Army. He also suggested the need for a change of attitude on the part of officials engaged in resettling the dissidents, predominantly Meo hill peoples who were being pressed into settlements in the plains.

[The resettlement programme, begun two years ago, has the effect of checking the movements of the nomadic Meo, who originate in Yunnan, in China. But the measure is ostensibly designed to end the Meos' dependence on the illegal opium trade, and it is resistance to this loss that the communists have sought to exploit, apparently fairly successfully. Meo attacks on police outposts are reported almost each day in provinces within 480 km of Bangkok, skirting the Laos border.]

The King said: "There are very few Meo people who are communists, but if we make mistakes, the whole Meo tribe will turn communist."

Privately, he told the new Cabinet that he was greatly concerned about the tribal situation.

Background:

Nomadic, speaking little-known languages, following esoteric customs, hill tribes live in the border regions of Thailand. They include the Karens, Meos, Lahu, Akha and Lisu. One tribe called "the Spirits of the Falling Leaves" is so scarce and fugitive that some experts doubt if it still exists. But the Meos are neither scarce nor retiring. There are about 50,000 of them in northern Thailand. As in neighbouring Laos, their warlike qualities are exploited by Communists and anti-Communists. The North Viet-Namese and Pathet Lao have organized the Laotian Meos into guerrilla bands which fight pro-Government Meos led by the redoubtable Col. Vang Pao. The Meo rebellion in Thailand is closely linked with the tribal vendetta in Laos.

The Ministry of the Interior insists that the cadre leaders and some of the rank-and-file of the Meo rebels are infiltrators from Laos and southern China. Since tribal people move across frontiers without passports and usually without any idea that there are frontiers, it is difficult to prove or refute the official version.

Trouble flared up in November, 1968 when heavily armed Meos attacked a village in Phitsanuloke province in north-central Thailand. The revolt spread rapidly to the neighbouring provinces of Loei and Petchaboon. In desultory fighting, about 40 Border Police and soldiers were killed and an undisclosed number wounded. Meo casualties were estimated at between 200 and 300.

The Government used napalm in air raids on villages held by the insurgents. Officials declared that the villagers were warned to move out before the raids; but some foreign anthropologists working among the tribes claim that this was not so, and that some innocent Meos were the victims of napalm.

According to Press reports, privately some Thai officials admit that it was a grave psychological blunder—one of those which the King had in mind when he made his views public. But at the time, leaders of the Government felt that the Meos needed shock treatment. The Deputy Defence Minister, Air Marshal Dawee Chullasapya, remarked on the napalm raids: "They (the Meo rebels) must be got rid of, once and for all."

Politics is only a part of the Meo problem. The traditional Meo way of living is a constant source of annoyance to bureaucrats. In the past their method of shifting cultivation ("slash-and-burn") and their reliance on the opium poppy were tolerated (especially since many officials took a lucrative "cut" from the opium trade). But in the last decade Thailand has moved swiftly into the modern world. Forest conservation is now as fashionable as in the West; and under gentle pressure from United Nations, Thailand has outlawed the opium traffic. Increasingly the Meos have found themselves at odds with the new order.

Attempts to move them to permanent settlements and to wean them from the poppy cult have largely failed. The effort has merely caused more friction between them and the Thais.

(The New York Times and The Hindustan Times, New Delhi)

[Prev. ref. 8830:THI:A]

TURKEY

A. Trade With Israel: Turkey and Israel signed an Agreement in Ankara on April 25 putting trade between the two countries on a free currency basis.

It was expected that the cancellation of the clearing arrangement, which had caused a number of difficulties in trade between the two countries in recent years, would bring about a greater increase in the exchange of commodities between Israel and Turkey.

(The Jerusalem Post)

[Prev. ref. 7163:ISR:D]

ASIA OUTSIDE ASIA

A. British Budget: Britain's new Budget proposals presented to the House of Commons in London on April 15 showed no increase in duty on butter or cigarettes, nor on beer, spirits and tobacco. However, the prices of wines and sherry will go up.

Petrol prices will increase too, but there will be no change in the tax on cars. Clothing, furniture, soft drinks and even fur coats were left untouched. But a purchase tax will be levied for the first time on potato crisps and paper handkerchiefs.

Gamblers, punters and casino operators will be hit hard So will be entertainers like the Beatles. But painters and authors will get some relief.

Pensions will go up. There will be no change in the rate of income-tax or surtax. On the contrary, over one million persons will benefit from income-tax concessions.

The Chancellor, Mr. Roy Jenkins, announced a new contractual savings scheme.

He did not have a good word for the trade unions which were on the war path against the Government's proposal for union reform.

In a sharp attack on strikers, he said that Britain's competitive position had been damaged by irresponsible industrial action and further corrective measures were necessary. He announced that the Government would go ahead with some of the important provisions in the White Paper, "In Place of Strife," during the present session of Parliament.

This constituted a sharp rebuff to the trade union leaders whose opposition had caused a rift in the Labour Party unprecedented in its recent history.

Mr. Jenkins told Parliament that "irresponsible industrial action" had damaged Britain's competitive position. But, he could report that Britain had achieved some progress in the changes in the structure of its economy, and his Budget was not so stringent as last year. His Budget a year ago—four months after devaluation—took £923 million out of the economy, mainly by increased taxation.

The new Budget was said to mark the start "of a major effort by this administration to redirect the course of the Federal Government in domestic affairs."

Two departments with heavy responsibilities in dealing with social ills—Health, Education and Welfare and Housing and Urban Development—shared in the Budget cuts.

Atomic energy and space programmes were reduced by $140 million. The budget for veterans showed a drop of $245 million—mostly reflecting planned sales of assets—and about $185 million was dropped from international programmes.

(**The Times**, London)

[Prev. ref. 8319:AOA:M]

B. **Mr. A. Dubcek Replaced As Communist Party Chief In Czechoslovakia:** The reformist Communist leader, Mr. Alexander Dubcek, was replaced at the Czechoslovak Communist Party Central Committee's plenary meeting in Warsaw on April 17 by Mr. Gustav Husak.

Mr. Husak is the head of the **Slovak wing of the Czechoslovak Communist Party.** He was appointed Czechoslovak Communist Party chief.

Mr. Dubcek remained a member of a new 11-member Presidium.

New Presidium:

On April 18, the Czechoslovak Communist Party announced its new 11-man Presidium under the leadership of Dr. Gustav Husak.

Prague Radio, in reporting the change in the party leadership, which dropped leading progressives like Mr. Josef Smrkovsky and Mr. Josef Spacek from the Presidium, also announced that the progressive editor of the party newspaper **Rudo Pravo**, Mr. Jiri Sekera, had resigned.

President Ludvik Svoboda and the Federal Prime Minister, Mr. Oldrich Cernik also remained in the Presidium, but several other known liberals were removed. They were Mr. Bohumil Simon (Head of the Prague City party net-work), Mr. Josef Spacek (the Moravian party leader), Mr. Vladimir Kabrna and Mr. Libuse Hrddinova.

However, Mr. Karel Polacek, the Czechoslovak trade union leader who joined the new Presidium, is regarded as a man of pronounced progressive views. His inclusion in the new party leadership was presumably an acknowledgement of the political strength of the trade union movement. In the past few months the Czechoslovak trade union movement had become an independent political force in the country for the first time, generally backing the reformist line.

(**The Times**, London and **Prague Radio**)

[Prev. ref. 8760:AOA:C, 8833:AOA:C]

C. **UN General Assembly President Dead:** The President of the United Nations General Assembly, Dr. Emilio Arenales Catalan, who was also Guatemala's Foreign Minister, died in Guatemala on April 17.

Dr. Catalan (46) had been in failling health since he was operated upon in New York for a brain tumour in October, 1968.

(**The New York Times**)

[Prev. ref. 8660:AOA:B]

D. **Low Frequency Radio Signals Emitted By Earth:** The US National Aeronautics and Space Administration (NASA) announced in Washington on April 21 that the radio astronomy satellite **Explorer-38,** orbiting 5,858 km above the Earth had led to the discovery that the Earth, like the planet Jupiter, sporadically emits low frequency radio signals.

These signals were still a mystery to scientists.

The four 228.6-metre tubular antennae of **Explorer-38,** which extend to an overall length of 475 metres, were designed to monitor low frequency radio signals below 10 megahert—a region of spectrum frequency which includes the standard of radio bands—that cannot penetrate the ionosphere to be heard on Earth.

(**The New York Times**)

[Prev. ref. 8488:AOA:D]

E. **104th Chemical Element Created:** Nuclear scientists in Berkeley (California) claimed on April 15 that they had created a new chemical element, the 104th known to man.

University of California scientists said they had identified two forms—or isotopes of a new metallic substance.

Their claim could lead to a dispute with Soviet scientists who had reported in 1964 that they had created an isotope of element 104.

The Berkeley research team—which included the Finnish physicist, Dr. Matti Nurmia of the University of Helsinki, and his two Finnish students, Karl and Pirkko Eskola—said that element 104 would appear lead grey in colour if a visible amount of it could be collected.

(**The New York Times**)

F. **Structure Of Immunity Molecule Unravelled:** Scientists have unravelled the master molecule of immunity, the body's main defence against disease.

Determination of the complete chemical structure of the immunoglobulin (better known as gamma globulin) molecule was announced on April 14 by a Rockefeller University biochemist, Dr. Gerald Edelman, at a meeting of the Federation of American Societies for Experimental Biology at Atlantic City, New Jersey.

The immunoglobulin elucidated, among the largest protein molecules ever analysed, contains 1,320 amino acid building blocks in a looping chain with a trefoil pattern. Each leaf is slightly different from the others, but the left side of each leaf is a mirror image of the right.

The long looping three-dimension chain of the molecule is made up of 19,996 atoms.

The achievement has far-reaching implications in the future for improving human health: in manipulating the body's disease-fighting machinery to do a better job, in overcoming rejection in heart and other organ transplants, and perhaps even in cancer control.

(**The New York Times**)

G. New West German President: The 69-year-old Social Democrat candidate, Mr. Gustav Heinemann, was elected President of West Germany in West Berlin on March 5.

He was elected on the third ballot over the Christian Democrat candidate, Mr. Gerhard Schroeder, by 512 votes to 506.

In two previous ballots, neither candidate secured the absolute majority required. To gain the nod on a third or subsequent voting round, only a simple majority was needed.

Communists continued their "harassment" of traffic on West Berlin's road-links as the defiant West German Federal Assembly conducted the voting.

East Germany had closed the highway linking Berlin with Helmstedt at 7 a.m. GMT on March 5, re-opened it to traffic three hours later and then closed it again at 1 p.m.

(**The Times,** London)

*H. **Indus Valley Civilization—New Light:*** A team of Finnish scientists announced in Copenhagen on February 24 the penetration—by logic, intuition and computer—of the language of India's ancient Indus Valley civilization that vanished about 4,000 years ago and left a mysterious legacy of thousands of inscriptions that defied deciphering until now.

The team, sponsored by the Scandinavian Institute of Asian Studies in Copenhagen said that the breakthrough came only during February and had already provided a key that threw open the doors to new understanding of the Indus Valley people who built beautiful, well-planned cities with large public baths and the earliest known covered drainage systems in Asia.

"Our key already gave the answer to the mystery of the origin of the Hindu caste system", said Dr. Asko Parpola, one of the four Finnish researchers on the team. "It also proved for certain that the bearers of the Indus culture were Dravidians."

He said that the deciphered Indus Valley inscriptions showed that the caste system existed long before the Aryans came to India. The caste system was governed by religious taboos against pollution of the body and the soul which also helped explain the prominence of big public baths in the Indus civilization.

(**The Statesman,** Calcutta and **The Times,** London)

[Prev. ref. 6042:INI:K, 6582:INI:K]

I. Artificial Heart Patient Dead: Haskell Karp, the first patient in medical history to have an artificial heart replaced by a human organ, died in Houston (Texas) on April 8.

The announcement by St. Luke's Hospital said that the exact cause of Mr. Karp's death would not be known until a post-mortem was completed. "But it is suspected that the patient suffered acute rejection complicated by pneumonia and kidney failure."

Karp (47) lived for three days with the artificial device before it was exchanged for the heart of a 40-year-old woman.

The deaths of Karp and the unidentified 48-year-old woman brought to 69 the number of people who had died following heart transplant operations.

(**The New York Times**)

[Prev. ref. 8697:JAP:G]

SPORT

A. Arjuna Awards: Four Services sportsmen, two girls and a cricketer were given Arjuna Awards for 1968. They are:

Athletics: Capt. Joginder Singh (Services) and Manjit Walia (Punjab).

Hockey: Balbir Singh (Services)

Cricket: E. A. S. Prasanna (Mysore).

Basketball: Naib Subedar Gurdial Singh (Services).

Boxing: Dennis Swamy.

Rifle Shooting: Princess Rajyashree of Bikaner.

(**The Hindu,** Madras)

[Prev. ref. 6650:SPO:B]

B. Asian Lawn Tennis Championship: Jaideep Mukherjea won the men's singles title of the Asian Lawn Tennis Championship in Calcutta on December 29, 1968, defeating in straight sets American Bill Tym, who injured himself in the third game and was subdued for the rest of the match. The scores were 6-2, 6-2, 6-0.

Mukherjea thus won the double crown, having won the men's doubles the previous day.

After the match Tym said that he had felt like retiring, but he carried on in order not to spoil the big occasion. With the game 1-1 and Tym serving for thee third, a body twist while executing a shot tore some ligaments in his stomach. He was in great pain and could not serve with any power. On a couple of occasions, in fact, he served underhand.

Mukherjea had won the Asian title in 1965-66, when Krishnan had a wrist injury. Mukherjea beat him in the **final.**

Miss Susan Das and Balaram Singh got a walkover but lost the final to Miss Dibar and S. Dron in three sets. The Rumanian pair clinched the mixed doubles title winning 7-6, 6-3, 6-1.

(**The Statesman,** Calcutta)

[Prev. ref. 8154:SPO:A]

C. World Table Tennis Title: Shinego Ito, the Japanese national champion, won the men's title of the 30th World Table Tennis Championship held in Munich on April 27. He beat Eberhard Scholler of West Germany 19-21, 14-21, 21-19, 21-15, 21-9.

Toshiko Kawada, a 20-year-old Tokyo physical education student, came back with the world women's title with a 20-22, 21-14, 21-17, 21-8 win over Gabriele Geissler of East Germany.

Miss Kawada took over the title from another Japanese girl, Sachiko Morisawa.

For the first time in 30 years of world tennis, the women's doubles title went to the Soviet pair when Rudnova and Svetlana Grinberg beat Rumania's Maria Alexandru and Fleonora Mihalca 17-21, 21-17, 21-14, 16-21, 21-14.

Sweden's Johnson and Hans Laser retained the world men's doubles title with a superb display of controlled, attacking table tennis to beat Japan's Nobuhiko Hasegawa and Okito Tasaka 21-19, 17-21, 21-8, 21-12.

(**The Times of India,** New Delhi)

[Prev. ref. 7818:SPO:B, 8130:SPO:A]

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INDIA

SUMMARY: President Zakir Husain Passes Away; Aeronautics Committee's Recommendations; Losses In Public Undertakings; SSP Annual Conference; Naxalites' Plans.

A. **Dr. Zakir Husain Passes Away—Mr. V. V. Giri Sworn-In As Acting President:** Dr. Zakir Husain, the third President of the Indian Republic and a distinguished statesman, educationist and scholar, died in New Delhi on May 3.

Dr. Husain, who had not been keeping well after his hectic tour of North-East India, had a severe heart attack from which he did not recover.

It was in the bathroom that Dr. Husain collapsed. Doctors who had come for a routine check-up and for taking an electro-cardiogram made intense efforts to resuscitate him but to no avail.

According to the official version issued later, Dr. Husain was preparing to go from his room to another room where the doctors were waiting to examine him. He suddenly collapsed as a result of "a massive heart attack and died within three minutes in spite of all efforts by the doctors to revive him."

Dr. Husain (72) would have completed two years as President on May 13. He was the first President of the Indian Union to die in harness.

The Government declared a 13-day State mourning. Flags were flown at half-mast during the period of mourning, and all official receptions were cancelled.

Dr. Husain was buried on the grounds of Jamia Millia on the outskirts of Delhi on May 5.

The funeral was attended by a galaxy of foreign dignitaries who had come specially for it. Among them were the Soviet Premier, Mr. Alexei Kosygin, the Prime Ministers of Yugoslavia, Afghanistan and Nepal, the Chogyal of Sikkim, the Duke of Kent representing the Queen of England and Mr. George Romney, on behalf of the US President.

A 31-gun salute was fired and 24 service buglers—18 from the Army and four from the Navy and two from the Air Force—sounded the Last Post. After a brief pause of five seconds, the buglers sounded the Rouse.

The Chinese **Charge d'Affaires,** Mr. Chen Chao-yuan, was among those present at the Jamia Millia burial ground. Earlier, the Chinese **Charge d'Affaires** had called at the Durbar Hall of Rashtrapati Bhavan and placed a wreath on the body.

The Chinese flag at the Embassy flew at half-mast.

A black-bordered **Gazette of India Extraordinary** issued by the President's Secretariat said that in Dr. Zakir Husain's death the country had lost "a person of great intellectual and moral eminence who embodied man's heritage of nobility, goodness and truth".

Dr. Husain's wisdom and healing touch, it said, were of immense value to the nation during periods of stress and strain. "His vision and adherence to principles, his grace and dignity, his high aesthetic sensibility, his understanding and compassion added a new lustre to the high office he held and earned for him the affection and admiration of all sections of the people".

Only one Viceroy and a Governor-General of India had earlier died in office. The last one to die was the Viceroy, Earl of Mayo, in 1872. He was stabbed by a convict while inspecting the Settlement at Port Blair in the Andaman Islands.

Earl Elgin, a Governor-General, died in 1863 after he had suffered a heart attack while crossing a suspension bridge in Dharamsala, then in Punjab. A physician was sent from Calcutta, who reached there after Earl Elgin had died.

Provision For Begum Husain:

The Government of India announced on May 9 that Shahjehan Begum, widow of Dr. Zakir Husain, would get a yearly pension of Rs. 15,000.

She would be entitled to a house at concessional rent and medical facilities of her choice. She was allotted the Motilal Nehru Marg house, once occupied by Mrs. Lalita Shastri.

Mr. V. V. Giri Sworn-in As Acting President:

Immediately after Dr. Husain's death was announced on May 3, the Vice-President, Mr. V. V. Giri was sworn-in to act as President by the Chief Justice, Mr. M. Hidayatullah,

Mr. Giri flew back to the capital from Bhopal after being informed of the death of Dr. Zakir Husain.

Mr. Giri was sworn-in under Article 65 of the Constitution which lays down that "in the event of the occurrence of any vacancy in the office of the Presidency by reason of his death, resignation or removal or otherwise, the Vice-President shall act as President until the date on which a new President enters upon his office".

A new President has to be elected as soon as possible and, in any case, not later than six months from May 3. The new President will hold office for a full five-year term.

This is in accordance with Article 62(2) which says: "An election to fill a vacancy in the office of President, occurring by reason of his death, resignation or removal or otherwise, shall be held as soon as possible after, and in no case later than six months from the date of occurrence of the vacancy; and the person elected to fill the vacancy shall be entitled to hold office for the full term of five years upon his office."

Such an eventuality has occurred for the first time and, pending election of the new President, Mr. Giri will have all the powers and immunities of the President. Article 65 (3) says: "The Vice-President shall, during, and in respect, of the period while he is so acting as, or discharging the functions of President, have all the powers and immunities of the President.."

Mr. Giri took the oath of office in the following words: "I, Varahagiri Venkata Giri, solemnly affirm that I will faithfully execute the office of President of India and will to the best of my ability preserve, protect and defend the Constitution and the law and that I will devote myself to the service and well-being of the people of India".

A Press **communique** said later that "Mr. V. V. Giri, Vice-President of India, has assumed charge as acting President of India in pursuance of Article 65(1) of the Constitution."

According to constitutional experts, Mr. V. V. Giri is President, not "acting President".

The Constitution, it is explained, does not provide for an "acting President" and all that Article 65 says is that the Vice-President "shall act as President" in the event of "the occurrence of any vacancy in the office of the President by reason of his death, resignation or removal or otherwise" till the election of a new President.

They drew attention to Para 3 of the Article and the Second Schedule which makes it clear that the Vice-President, when he acts as President, will have all the powers and immunities of the President and shall be entitled to the same emoluments, allowances and privileges.

Mr. V. V. Giri's Life-sketch:

Mr. Varahagiri Venkata Giri was born at Berhampore, Orissa, on August 10, 1894. After graduating from the Kallikota College, Berhampore, he joined the National University of Ireland, Dublin, from where he emerged as a barrister-at-law. *Soon after his return to India, Mr. Giri joined the Indian National Congress. He made trade unionism his special field.* He was among those who were responsible for the formation of the All-India Trade Union Congress, of which he was President twice. A long period of his public life was devoted to building up the All-India Railwaymen's Federation. He was its General Secretary for seven years, and President for another seven years. Elected to the Madras Assembly in 1937, he was Labour and Industry Minister in the first popular Ministry in Madras during 1937-39. He was re-elected to the Madras Legislature in the General Elections in 1946 and held the portfolio of Labour for about a year in the Prakasam Cabinet. After the resignation of the Cabinet in 1947, he served as India's High Commissioner in Ceylon till 1950. In 1952, Mr. Giri was returned to the Lok Sabha from the Pathapatnam constituency, in Madras State, on the Congress ticket. He was India's Labour Minister from May, 1952 to September, 1954. He was Governor of Uttar Pradesh during 1957-60, Governor of Kerala during 1961-65 and Governor of Mysore during 1965-67. He was elected Vice-President of India on May 6, 1967.

Tributes:

Speaking on behalf of a nation in mourning, the acting President, Mr. V. V. Giri and the Prime Minister, Mrs. Indira Gandhi, gave a call for re-dedication to the ideals Dr. Zakir Husain stood for.

In a broadcast to the nation, Mr. Giri described Dr. Husain as "a real Ajathasatru" (one who has no enemies) and said: "The best way of paying our homage to the sacred memory of this illustrious and noble son of our Motherland is to remain united in this hour of calamity and to re-dedicate ourselves anew to the noble task of fulfilling the sublime ideals of secularism and nationalism—the guiding goals of our Motherland."

Mrs. Gandhi, in her broadcast, recalled the words Dr. Husain had spoken on his being elected President in May, 1967: "The whole of India is my home and its people my family." Today, she lamented, that family and that India mourned his passing away.

In Madras, the former President, Dr . S. Radhakrishnan, described Dr. Husain as "a great gentleman and a distinguished educationist."

The former Governor-General, Mr. C. Rajagopalachari, said: "There was no worthier citizen in India than Dr. Zakir Husain."

On May 5, the two Houses of *Parliament passed an identical resolution pledging* to promote the high ideals of patriotism, national unity, secularism and the service of humanity which the late President, Dr. Zakir Husain, had always upheld.

They expressed their profound sense of sorrow at his sudden death and pledged themselves to uphold the ideals that had distinguished his career as an educationist, patriot and President.

Members of both Houses, led by the Speaker of the Lok Sabha, Mr. N. Sanjiva Reddy, and including the Prime Minister and her Cabinet colleagues, drove straight from Parliament House to Rashtrapati Bhavan to pay homage to Dr. Husain. Both Houses earlier adjourned without transacting any other business as a mark of respect to Dr. Husain's memory.

Plans For New President's Election:

The Chief Election Commissioner, Mr. S. K. Sen-Verma said on May 7 that a notification inviting nominations for the office of the President would be issued in good time.

This, he explained, was necessary to avoid all exigencies calling for commencement of the election proceedings afresh.

He pointed out that Article 62 (2) of the Constitution contained a mandatory provision that the election to fill a vacancy in the office of President "shall be held" as soon as possible after, and in no case later than, six months from the date of occurrence of the vacancy.

Section 7 of the President and Vice-President Elections Act of 1952 lays down: "If a candidate whose nomination has been made and is found to be in order on scrutiny dies after the time fixed for nomination and a report of his death is received by the Returning Officer before the commencement of the poll, the Returning Officer shall, upon being satisfied of the fact of the death of the candidate, countermand the poll and report the fact to the Election Commission and all proceedings with reference to the election shall be commenced anew in all respects as if for a new election."

Countermanding of poll and commencement of the election proceedings afresh would mean postponement of the election by at least a month or so.

Section 4 of the President and Vice-President Elections Act stipulates that a minimum of 28 days and a maximum of 35 days would be required to hold the poll from the date of issue of the **Gazette** notification calling for nominations.

Section 4 of the Act says: "The Election Commission shall, by notification in the official **Gazette**, appoint for every election—(A) the last date for making nominations which shall be a date not later than the 14th day and not earlier than the eighth day after the date of publication of the notification. (B) A date for the scrutiny of nominations which shall be a date not later than the third day after the last date for making nominations. (C) The last date for the withdrawal of candidates which shall be the third day after the date of the scrutiny of nominations. (D) The date on which a poll shall, if necessary, be taken which shall be a date not earlier than the 15th day after the last date for withdrawal of the candidates."

The value of all MLA's votes, as on May 7, 1969, was stated to be 4,30,847 and MPs' 4,30,848, totalling 8,61,695 votes, out of which the Congress Party has approximately 4,48,525 votes.

To-date there are 10 vacancies in Parliament (four in the Lok Sabha, six in the Rajya Sabha) and 35 in State Assemblies.

The electoral college of the Presidential election, according to Article 54, consists of: (a) the elected members of both Houses of Parliament; and (b) the elected members of the Legislative Assemblies of the States.

Under the formula given in Article 55, the value of a vote of each Member of Parliament has been worked out as 576. The value of Assembly members' votes differs from State to State, as given in the table below:

States	Vote Value per Member	Elected Members	Total Votes
Uttar Pradesh	174	425	73,950
Bihar	146	318	46,428
Maharashtra	146	270	39,420
Tamil Nadu	144	234	33,695
Kerala	127	133	16,891
Andhra Pradesh	125	287	35,875
West Bengal	125	280	35,000
Orissa	125	140	17,500
Gujarat	123	168	20,664
Rajasthan	110	184	20,240
Madhya Pradesh	109	296	32,264
Mysore	109	216	23,544
Punjab	107	104	11,128
Assam	94	126	11,844
Haryana	94	81	7,614
Jammu and Kashmir	59	75	4,425
Nagaland	8	46	368

In the last election, Dr. Zakir Husain had secured 4,71,244 votes, while his nearest rival, former Chief Justice Mr. Subba Rao got 3,63,971 votes. The total of other six candidates' votes was 2,833.

During the 1967 Presidential election, Parliament was not in session and the Election Commission issued special permits to 86 MPs to cast their votes in their respective States, 22 of them having later applied for cancellation of their permits.

Though some Union Territories like Himachal Pradesh, Manipur and Pondicherry have Legislative Assemblies, the elected members of these Assemblies will not be able to participate in the Presidential election, Union Territories not being covered under Article 54 of the Constitution.

(**The Statesman, The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 7707:INI:A]

B. Indian Withdrawal From Nathu La—Chinese Ultimatum Denied: On May 11, China accused India of making up the story of a Chinese ultimatum for withdrawal of Indian troops from Nathu La border pass in order to aid the Soviet anti-China campaign.

An Indian Defence Ministry spokesman had said on April 26 that on April 23, China had given a 24-hour ultimatum to withdraw its troops from Nathu La or else the Chinese would "open fire." He said the Indian troops had stayed and the situation remained normal.

The official **New China News Agency (NCNA)** said a responsible member of the Chinese Foreign Ministry's First Department of Asian Affairs had lodged a strong protest at a meeting with Mr. B. C. Mishra, **Charge d'Affaires ad interim** of the Indian Embassy in Peking. "The Chinese Government and people hereby lodge a strong protest with the Indian Government against its lies and slanders and acts of provocation."

The **NCNA** said what the Chinese troops on the China-Sikkim border actually told the Indian troops on April 23 and 24 was that they could send five unarmed men into Chinese territory to retrieve Indian linoleum which blew across the border on April 21.

"The Indian troops replied in a broadcast on April 24 that they would not come to get back the linoleum and at the same time uttered some highly offensive words."

It said the Indian Foreign Ministry also had protested that three Chinese uniformed personnel crossed into Indian territory on March 30. "This is likewise sheer fabrication and trouble-making."

"Recently," it added, "Indian planes have intruded into China's air-space on many occasions, and even penetrated deep into China's Yatung and Gyantse areas for provocations. Indian troops carried out large-scale military manoeuvres in Sikkim and Indian military personnel have incessantly intruded into Chinese territory by crossing the China-Sikkim boundary at Jelep La.

"Obviously, it is none other than the Indian Government itself that is carrying out incessant provocations and creating tension along the China-Sikkim boundary and the Sino-Indian border."

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8408:CHI:B, 8675:INI:J]

C. East Pakistan Rifles Fire On Fishermen: Two Indian fishermen were killed when men of the East Pakistan Rifles fired indiscriminately on a group of fishermen at Kaliani Beel on the India-Pakistan border near Bongaon in 24-Parganas district on April 30.

A spokesman of the Border Security Force said that one of the fishermen died on the spot and the other in hospital.

(**The Statesman,** Calcutta)

[Prev. ref. 8901:INI:B]

D. Security In Indian Ocean Area: The Deputy External Affairs Minister, Mr. Surendra Pal Singh, said in the Lok Sabha on May 1 that India and several other South-East Asian countries were making efforts to keep Big Powers from interfering in or dominating the Indian Ocean.

He said that India was aware that certain Big Powers felt that their global responsibility extended to the Indian Ocean as well as other areas. The Government's policy was opposed to this. Many of the countries in the region also felt the same way.

The question arose in the context of the projected British naval withdrawal from Singapore in 1970 and the reported suggestion by Indonesia for a common policy by South-East Asian countries for naval arrangements.

Mr. Surendra Pal Singh, however, made it clear that India's policy of opposition to any defence pact continued. The ultimate responsibility for the defence of a country rested with that country itself and, he said, the Defence Ministry was taking steps to strengthen the Navy.

India, he added, had not been approached by Indonesia with any proposal regarding joint naval activities in the Indian Ocean. The Government's policy favoured the exclusion from the Indian Ocean of any interference or domination by any Power and it would like the Indian Ocean to become an area of peace and co-operation in future. "We have reason to believe that the Indonesian Government holds similar views."

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8301:INI:B]

E. Mrs. I. Gandhi On Nuclear Umbrella: The Prime Minister, Mrs. Indira Gandhi, rejected in the Rajya Sabha on May 1 a suggestion that India should ask both USSR and USA for a nuclear 'umbrella' against any nuclear threat from China. "I do not think that would be in our interest."

She said that if there was a nuclear attack on India, "then it will not be confined to India and China alone. The whole world will be entangled in that and that will change the picture. However, I would like to say that we are considering all these things."

India, she added, was going ahead with research and other work in atomic energy for peaceful purposes. "We think that the danger to us is far more from conventional weapons. Whatever we want to do, it is important to strengthen our industrial and economic base before we are able to undertake anything."

Now India had set up a net-work of monitoring stations to detect both underground and overhead nuclear explosions. China has had eight nuclear explosions since 1964.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8613:INI:A]

F. Nuclear Agreement With France: French atomic energy officials announced in Paris on May 7 an Agreement to help India build a fast neutral nuclear reactor and train Indian engineers and technicians.

They said India planned to build a "fast breeder" similar to France's 20,000 thermal kw (20-megawatt) "rhapsodie" experimental fast neutron nuclear reactor—a revolutionary new type of plant which produces more fissile matter than it consumes in producing energy.

"Rhapsodie" two years ago put France in the four-nation nuclear club with USA, the Soviet Union and Britain producing fast *reactors, costing about £13,500,000 and a further about £7,000,000 for plutonium.*

The French "fast breeder" reactor is the principal plant in the Cadarache complex, popularly known as the "Valley of the Reactors". The name rhapsodie is a contraction of "rapide" and "sodium".

(**Le Monde,** Paris)

[Prev. ref. 8729:INI:G, 8877:INI:H]

G. West German Credit For IFC: The Industrial Finance Corporation of India (IFCI) was sanctioned on April 11 a further line of credit of DM5 million by the Kreditanstalt fur Wiederaufbau (West German Bank for Reconstruction), Frankfurt, Main.

This was the seventh line of credit from the Kreditanstalt to IFCI and increased its resources in Deutsche marks to DM97.50 million.

Against these lines of credit, the IFCI had already sanctioned sub-loans aggregating DM14.74 million (about Rs. 14 crores) for assistance to industrial concerns in India in a large variety of industries such as heavy and industrial chemicals, paper ceramics, glass, steel tubes and metal castings, electrical cables and equipments, cement, sugar, textiles, synthetic yarn, plywood and hardboards, rubber products, automobile components and motor vehicles, high tension and low tension porcelain insulators etc.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8473:INI:K, 8876:INI:F]

H. Accumulation Of PL 480 Funds – Experts' Recommendations: A team of experts has warned the Government that the "final accumulation of PL 480 funds in US hands in India" will be a "major source of potential inflation" and has suggested that these funds be "frozen permanently."

While the team admits that so far the impact of PL 480 transactions on money supply and on the general price level is neutral, it predicts that as projects under PL 480 agreements mature and repayment of capital together with interest is made by the Government into the American account in the Reserve Bank of India, a very large volume of liquidity will pile up in US hands. "Assuming that grain imports are stopped at some date in the future," (according to the Government's present plans, concessional food imports will be stopped during the Fourth Plan period), "re-spending of these accumulated *funds by USA,* if allowed, can become an obvious source of inflation."

The expert team, appointed in 1968 by the Finance Ministry at the recommendation of Parliament's Estimates Committee, says the problem which India will face will be similar to the one faced by Europe after the War. These liquid funds "kept on putting inflationary pressures on the prices of all commodities and assets and distorted the normal operation of the economy, leading the European Governments to take special measures to overcome the problem".

The team has, therefore, suggested two alternatives to cushion the Indian economy from this potential inflationary impact. The Government of India must either "freeze the funds permanently" through mutual agreement, or obtain a a grant from USA. "In that case, the accumulated amounts or agreed parts thereof can be annihilated and the economy cushioned from their impact. The matter would be akin to the burning of currency notes at retirement."

To reduce the impact of American withdrawal when grain supplies from USA are stopped, the team hopes that "expenditure on US uses will be properly phased" and that the Government would have "previous knowledge about the annual expenditure flows from this source". "This will enable the Government to plan its budget deficits and surpluses appropriately, but there is no denying that other things being equal, the impact of this expenditure will clearly be inflationary."

(**The Statesman,** New Delhi)

[Prev. ref. 8045:INI:Z]

I. Sale Of Indian Properties In Pakistan—Protest Notes: On April 28, India again protested strongly to Pakistan against the sale, already effected as well as proposed by the latter, of Indian properties seized during the September, 1965 conflict and re-iterated the invitation to Pakistan to discuss the subject of return of property and assets taken over by either side.

The latest Note—India had so far sent about 15 Notes to Pakistan on this subject since the first reported sale of certain Indian properties in 1966—was handed over to the Pakistan Government by the Indian High Commission in Islamabad following publication of advertisements in newspapers inviting tenders for the purchase of some of these properties in March last.

The value of Indian properties seized by Pakistan was estimated at Rs. 109 crores and that of Pakistani properties seized by India at Rs. 27 crores.

To the many Notes protesting against the sale of Indian properties and requesting the suspension of sale, the Pakistan Government had replied only once—on August 12, 1967. Pakistan then took the plea that "assets seized during the war become the property of the seizing Government whose legal right to their disposal is unquestionable."

The first reported sale of six tea gardens in East Pakistan had been effected, according to the **Pakistan Observer,** within four months of signing the Tashkent Declaration under which the two countries had "agreed to discuss the return of the property and assets taken over by either side in connexion with the conflict."

The **Pakistan Observer** reported on December 25, 1969 that 190 Indian vessels seized by Pakistan were to be handed over to the local shipping companies at nominal prices. In February, 1967 about 10,000 tonnes of seized Indian cargoes were offered at an auction at Khanpur and Narayangunj in East Pakistan.

In two Notes handed over on April 28, the Indian High Commission in Islamabad conveyed India's strong protest against the sale of 188 Indian cargo vessels and the transfer of the proceeds of Rs. 10 crores to the Naval Prize Fund at Rawalpindi, as reported by Dacca's **Ittefaq**, and the notice published in Karachi's **Dawn** of March 19, 1969, inviting tenders for the sale of the assets of certain Indian properties, for example, industrial units, commercial firms, tea estates, and so on.

The Note said that the Government of India believed that all Indian assets and properties in Pakistan were in the nature of a continuing trust and any attempt on the part of Pakistani authorities to dispose of them unilaterally would not only be a flagrant violation of the Tashkent Declaration but also against all norms of international law and practice.

(**The Times of India**, New Delhi)

[Prev. ref. 8701:PAK:D]

J. **Envoy To Bulgaria:** It was officially announced in New Delhi on May 15 that Mr. S. Thiruvengada Than, Ambassador-designate to Rumania, had been concurrently appointed Ambassador to Bulgaria with residence in Bucharest.

(**The Times of India**, New Delhi)

[Prev. ref. 7597:INI:A]

K. **Army Appointment:** It was announced in New Delhi on May 15 that Lt.-Gen. S. N. Chatterjee, Director of Medical Services (Army), had been selected as the new Director-General, Armed Forces Medical Services.

Lt.-Gen. Chatterjee would take over on July 9 from Lt.-Gen. B. Bhattacharjya.

(**The Times of India**, New Delhi)

[Prev. ref. 8308:INI:G, 8875:INI:B]

L. **Aeronautics Committee's Recommendations:** The development of a new Mach-II supersonic aircraft to succeed the HF-24 and establishment of a composite unit for design, development and production of guided missiles were among the key recommendations of the high-powered Aeronautics Committee, whose report was presented to Parliament on May 15.

The Committee, headed by Mr C. Subramaniam, had been asked to examine the growth of the aeronautics industry and to recommend the lines along which it should progress in future to cater to both military and civil needs.

The Committee said that development of the new aircraft—estimated to cost between Rs. 30 and 40 crores —"would be the most important task of the aeronautical industry in India over the next 10 years". It was confident that Hindustan Aircraft Limited was substantially in a position to undertake this task.

Obviously because of the difficulties encountered in developing a suitable engine for the HF-24 with UAR collaboration, the Committee recommended that the new "advanced technology aircraft" should be built around a proven engine. Simultaneously, an engine should be designed indigenously and the responsibility for this should rest with Indian hands.

But it ruled out development of an indigenous bomber for the next 15 years and it also came to the conclusion that no new fighter-bomber was immediately necessary, thereby making it clear that no fresh licensed production with foreign collaboration was necessary.

So far as civil aircraft were concerned, the Committee ruled out indigenous production to meet Air-India's and Indian Airlines' needs for 100-plus passenger planes. But it considered it possible to manufacture a medium type of aircraft to replace the F-27 (Friendship) and HF-748 (Avro). It also stressed the importance of developing an agricultural aircraft.

The Committee recommended that "foreign assistance should be obtained judiciously" to develop both guided weapons and helicopters. At present there was no alternative to licensed production of helicopters and, in the Committee's opinion, 'the development of guided weapons should receive intensive attention in the next five years."

In fact, such was the importance that it placed on development of guided weapons that it recommended production of guided weapons should be a composite facility with responsibility for design and development as well as production. However, work should be shared out among existing defence establishments and the "new missiles unit should be confined to final assembly testing and delivery."

The Committee also recommended the establishment of an Aeronautics Requirements Committee, an Aeronautics Production Board and an Aeronautics Committee (for research and development).

The Aeronautics Requirements Committee should draw up a long-term plan of aeronautics' need for defence. Based on a ten-year forecast, a firm plan of requirements should be drawn up each year for five years adopting the concept of a rolling plan. The formulation of long-term requirements should be based on a long-term assessment of threats.

The Aeronautics Production Board should replace the existing Aircraft Production Board and take over all functions relating to production of aircraft missiles, etc. The Aeronautics Committee should be set up to undertake the direction and high-level co-ordination of the research and development effort in the field of aeronautics, including guided missiles.

Aeronautics, like electronics, should be recognized as a major industry and allotted as a subject to the Department of Defence Production in the Ministry of Defence.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8043:INI:S]

M. **Losses In Public Undertakings:** According to a performance report presented to Parliament on May 13, Hindustan Steel (HSL) led the 28 losing public undertakings with its net deficit of Rs. 38 crores in 1967-68.

The total losses of the 28 undertakings in the year under review amounted to over Rs. 84 crores, as against profits of Rs. 49 crores made by 39 other undertakings in the same year.

Thus, the overall loss of the public sector, in which an investment of Rs. 3,333 crores had been made on 83 undertakings up to the end of March, 1968, was reduced to Rs. 35 crores. The loss in the previous year was only Rs. 10 crores. Fifteen of the undertakings were under construction, while LIC results had not been included in this review.

Hindustan Steel alone, with its massive capital outlay of over Rs. 1,000 crores, showed an increase of Rs. 19 crores in its net loss, thus nearly doubling its deficit of Rs. 19.72 crores in 1966-67.

The reasons for the increase in its losses were attributed to the rise in manufacturing costs, even though it was admitted that the sales realisation of HSL went up by Rs. 12 crores as a result of the increase in the selling prices of steel from May, 1968.

Ranking second among the losing concerns was the Heavy Engineering Corporation at Ranchi. Its net loss in 1967-68 was Rs. 13 crores, followed by the Neyveli Lignite Corporation with Rs. 6.11 crores, the Heavy Electricals, Bhopal, with Rs. 5.62 crores, Mining and Allied

Machinery Corporation, Durgapur, with Rs. 5.44 crores and Bharat Heavy Electricals with Rs. 5.20 crores.

The other undertakings which showed losses included the Hindustan Machine Tools in whose case the net profit of Rs. 137,00,000 in 1966-67 was converted into a loss of Rs. 69,00,000. Similarly, the National Projects Construction Corporation suffered a loss of Rs. 33,00,000 in 1967-68 as compared to its profit of Rs. 12,50,000 in the previous year. Hindustan Zinc also made a loss of Rs. 9,00,000 as compared to a profit of Rs. 2,50,000 in 1966-67.

Some of the other undertakings still in the red were Indian Drugs and Pharmaceuticals, Central Inland Water Transport Corporation, Hindustan Photo Films Manufacturing Corporation, National Mineral Development Corporation, National Coal Development Corporation, Indian Airlines Corporation, National Instruments, Electronics Corporation of India, Central Road Transport Corporation, Central Fisheries Corporation, Praga Tools, Hindustan Salts, National Buildings Construction Corporation, Modern Bakeries and Janpath Hotels.

Profits In 39 Undertakings:

Of the 39 public undertakings showing profits in the same year (1967-68), the Oil and Natural Gas Commission ranked first with a net surplus of Rs. 12.78 crores, followed by the Indian Oil Corporation with Rs. 10.95 crores. Third came the Shipping Corporation of India with Rs. 5.47 crores. Air-India came fourth with Rs. 2.54 crores, and Bharat Electronics fifth with Rs. 2.11 crores.

Other profit-making undertakings included the Fertilizer Corporation, STC, Hindustan Aeronautics, Bharat Earthmovers, MMTC, Cochin Refineries, Hindustan Teleprinters, Hindustan Antibiotics, Moghul Lines, Mazagaon Dock, Hindustan Cables, Ashoka Hotel, Indian Rare Earths, Nepa Mills, FACT, Travancore, Food Corporation, Engineers India, Hindustan Insecticides, Garden Reach Workshops, Sambhar Salts, Hindustan Housing Factory, Tungabhadra Steel Products, Hindustan Shipyard, Goa Shipyard and Hindustan Steelworks Construction Corporation.

The public sector undertakings provided employment to 5,50,000 people and earned foreign exchange worth Rs. 48 crores by exports. They also helped save foreign exchange by producing items which would have had to be imported.

(The Times of India,
New Delhi)

[Prev. ref. **8114:INI:S]**

N. SSP National Conference:

The fourth National Conference of the Samyukta Socialist Party (SSP) began in Jabalpur on May 8.

Members of the youth wing of the SSP, the Samajwadi Yuwajan Sabha vociferously objected to the move, shouted anti-merger slogans, rushed to the rostrum and disrupted the proceedings.

Moving his amendment to an official resolution, Mr. Joshi called upon the P-SP leaders to help in bringing about a merger on the basis of the Kota resolution.

He said that present political trends in the country favoured such a move and urged those forces which believed in the tenet of socialism and eradication of the economic and social ills in the country to come together and dislodge the Congress from power at the Centre.

Mr. Jagdish Joshi (MP) supported the amendment. This was resented by a section of the delegates who tried to stop him from proceeding further.

Mr. Durai Babu (Tamil Nadu) opposed Mr. Joshi's plea for merger and said that the P-SP's role had not been consistent in the political field. The P-SP had been seeking co-operation with parties like the BKD and the Swatantra to damage the position of the SSP.

Annual Report:

The General Secretary of the SSP, presenting his annual report to the National Conference on May 8, regretted that the SSP, which was a constituent in non-Congress Governments in some States, did not show "courage of conviction and rocklike firmness" in carrying out its major programmes like abolition of land revenue and replacement of English.

The party members had to face great opposition in the working of this programme though it was accepted in principle by the SVD Governments.

Referring to the rapidly growing "infection of defection," the report said that if anti-Congressism were to fall a prey to defection, then the healthy trends of political life in the country could not be insured.

The report cautioned that the Conference had to take a firm decision on the prevailing major political issues like anti-Congressism so that the partnership of the party in the SVD Governments might not get drowned in the glamour of power and privileges. "It must be clearly understood that non-Congressism is ultimately socialism."

It said that the aim of non-Congressism was the establishment of non-Congress Governments in the States, but the main aim should be setting up a non-Congress Government at the Centre. It pointed out that in such States where SSP was a partner in the coalition Governments, there was no direct conflict with the Centre.

The SSP, it said, was pledged to "storm the strong citadel of the Congress at the Centre" and appealed to the State Governments to extend their co-operation in that direction.

Policy Resolutions:

On May 9, the SSP National Executive adopted two policy resolutions.

The political resolution marked some major shifts in policy. It said that the party was now more for a programme-oriented action rather than participation in non-Congress Governments. The emphasis was on what Mr. Madhu Limaye described as "mass politics" rather than "parliamentary and election politics" which involved, according to the Executive, "summit manipulations".

Another important departure from the stance of the party was that extra-parliamentary activities needed further "refinement", inasmuch as there should be no scope in the party programme for "a ritualistic programme of civil disobedience." In its place, the party should try to secure mass participation in its agitations on the deeply-felt grievances of the people like drinking water facilities and minimum wage for agricultural labour.

Another outcome of the Executive's political resolution was that the party would first mobilize public opinion and then launch an agitation and not **vice versa.**

A view propounded in the Executive on the general political situation in the country was that in place of the Congress, the Opposition parties were getting polarized, thus strengthening the Congress. The Executive, however, felt that the policy of non-Congressism should continue.

In another resolution, the Executive demanded a new Constituent Assembly on the basis of adult franchise to frame a new Constitution in the light of the new situation in the country.

The Executive felt that the two contradictory trends of a weak Centre and strong States and a strong Centre and weak States were irrelevant, anti-people and anti-democratic. It was of the opinion that while concentration of power at the Centre would only add fuel to tension, it was also not prepared to accept the contention of the States to be all powerful sub-nations. This would inevitably encourage demands for separate States. The Executive, therefore, demanded complete decentralization of power.

It was of the opinion that apart from the questions of Centre-State relations, decentralization and regional autonomy, basic questions such as fundamental freedoms, limitation of property, language, the parliamentary system and similar other issues had cropped up and hence the need for a new Constituent Assembly.

Both the resolutions were later adopted by the National Conference.

In another resolution, the party decided to hold its next annual convention before December 31, 1970.

According to the SSP constitution, the party should hold its next convention before December 31, 1969. The resolution said that as the present convention had been delayed by about five months, it would not be possible to hold the next convention before December, 1970. The convention would be held on the basis of membership registered till June 30, 1970. By yet another resolution the National Conference urged the Government of India to secure the release of Dr. Telo Mascarenhas, Goan freedom fighter, from a Portuguese jail.

P-SP Stand On Merger:

Meanwhile, in a statement issued at New Delhi, the P-SP Joint Secretary, Mr. Surendra Mohan, expressed his disappointment over the SSP's rejection of the policy of democratic socialist consolidation.

While welcoming Mr. S. M. Joshi's stand for socialist unity, he said it was unfortunate that the Party had stuck to an obsolete and moth-eaten policy of negative and sterile anti-Congressism.

Later, the P-SP General Secretary, Mr. Prem Bhasin, told newsmen at Kanpur that with the defeat of the out-going Chairman, Mr. S. M. Joshi's amendment, the SSP "has closed the door on SSP-P-SP merger."

He alleged that "so long as leaders like Mr. Raj Narain, Mr. Madhu Limaye and Mr. George Fernandes were controlling the SSP, consolidation of socialist and democratic parties will never materialize."

Mr. S. M. Joshi Clarifies Reasons For His Resignation:

The former SSP Chairman, Mr. S. M. Joshi, explaining the reasons for his resignation, informed the National Conference that since he felt he could not fulfil the responsibility entrusted to him, he was forced to take leave.

After he had accepted the chairmanship, he said it was decided amongst the leaders to run the party affairs on joint responsibility. But this understanding did not last long and differences on policy matters began to crop up.

He said it was a settled fact that the collective intelligence would certainly go to make up to some extent the void created by the death of Dr. Lohia, but the qualities of collective leadership were not there and at a later stage cracks in the party were visible. The conflicts ended in disciplinary actions, especially against erring members who had joined the Mandal Ministry in Bihar.

He said that some party leaders did not also like his going abroad during the satyagraha.

Mr. Karpuri Thakur Elected Chairman—Other Office-bearers:

On May 10, Mr. Karpuri Thakur, a former Deputy Chief Minister of Bihar, and Mr. George Fernandes, MP, were elected new Chairman and General Secretary, respectively, of the SSP.

In a straight contest, Mr. Karpuri Thakur scored 477 votes against 36 received by his only rival candidate, Mr. Shivnath Pandey, of his own State.

In another direct fight, Mr. George Fernandes secured 319 votes against 191 polled by Mr. Brijraj Singh.

The following 23 members were elected to the National Executive of the party from among 75 candidates. Mr. Golap Barbora, MP, (Assam), Mr. Badri Vishal Pitti (Andhra Pradesh), Mr. Arjun Singh Bhadoria, MP, Mr. Prabhu Narayan Singh, Mr. Ramsewak Yadav, Mrs. Saraswati Ammal and Mr. Shalig Ram Jaiswal (all from Uttar Pradesh), Mr. Rabi Roy, MP, (Orissa), Mr. Birendra Kumar (Kerala), Mr. Tulsi Boda (Gujarat), Mr. T. Sunderam and Mr. O. N. Doraibabu (Tamil Nadu), Mr. Arif Baig, Mr. Jagdish Joshi and Mr. Baleshwar Dayal (all from Madhya Pradesh), Mr. Boro Thakur Sharma (Manipur), Mrs. Shanti Naik (Maharashtra), Mr. J. H. Patel, MP (Mysore), Mr. Parmanand Tripathi (Rajasthan), Mr. Dhaniklal Mandal, Mr. Bhola Prasad Singh and Mr. Ramanand Tiwari (from Bihar) and Mr. Maniram Bagri (from Haryana).

Mr. Abdul Khalik (Madhya Pradesh), Mr. Kalpnath Roy (UP) and Mr. Girishnath Katihar were declared elected to the discipline committee.

(**The Times of India,** Bombay and **The Hindustan Times,** New Delhi)

[Prev. ref. 8135:INI:D]

O. Mr. S. K. Patil & Mr. V. K. Krishna Menon Elected To Lok Sabha: Mr. S. K. Patil and Mr. V. K. Krishna Menon, rejected by their traditional Bombay constituencies in the 1967 General Elections, were returned to the Lok Sabha on May 11 with massive majorities from constituencies separated by almost the entire breadth of the country from Gujarat and West Bengal.

Mr. Patil (Congress) defeated the 1967 Swatantra winner, Mr. Manubhai Amarsey, in Banaskantha (Gujarat) by a margin of 1,00,149 votes in a triangular contest. The third candidate, the Left-backed Independent, Mr. Himmatsinhji, forfeited his deposit.

Mr. Menon (Independent), backed by the ruling United Front, defeated the Congress nominee, Mr. Krishna Das Roy in Midnapore (West Bengal) by a majority of 1,06,767 votes. Here, too, a third candidate lost his deposit.

Originally fixed for May 4, the Banaskantha by-election was postponed, following President Zakir Husain's death, to May 11 coinciding with the Midnapore poll.

Counting of votes in Banaskantha was completed on May 12, but the declaration of the result was withheld until May 13 pending investigation of the Swatantra candidate's allegation that ballot boxes had been tampered with.

Mr. Amarsey, who had won by a margin of 4,416 over his nearest Congress rival in a triangular contest in the General Election had later been unseated by a court verdict, necessitating the present by-election.

Mr. Menon retained for the West Bengal United Front a seat won by the Bangla Congress nominee, Mr. Sachidanand Maity, in 1967. Attacked by his Congress rival as an "outsider," Mr. Menon, the first non-Bengali ever to be elected to the Lok Sabha from the State, vastly improved upon his predecessor's majority of 43,283.

The winning margins of both Mr. Patil and Mr. Menon exceeded confident predictions made by their supporters. Mr. Patil was helped by large-scale defections from the Swatantra Party in Banaskantha since the last General Election. Mr.

Menon's majority of over 100,000 was much larger than the overall majority of about 15,000 votes registered by UF candidates in the Assembly constituencies, which comprise the Midnapore Lok Sabha constituency, in the mid-term election in February.

The following are the details of voting in the two by-elections:

Banaskantha:

Electorate: 4,43,136; votes polled: 2,05,621; invalid votes: 12,510.

Mr. S. K. Patil (C) 1,42,175; Mr. Manubhai Amarsey (Swa) 42,026; Mr. Himmatsinhji (Ind) 8,910.

Midnapore:

Electorate: 4,91,117; votes polled: 2,80,923; invalid votes: 4,614.

Mr. Krishna Menon (Ind) 1,87,850; Mr. Krishna Das Roy (C) 81,083; Mr. Riazuddin Pathan (Ind) 7,376.

With his victory, Mr. Krishna Menon staged a successful comeback to the Lok Sabha, after two defeats—first in the General Election in 1967 and subsequently in a by-election, both from the Bombay North constituency.

Mr. Menon, who was returned on the Congress ticket from Bombay North to the previous Lok Sabha, *resigned from the ruling party following denial of the party ticket for the same constituency in the 1967* General Election which he fought as an Independent with the backing of Leftist parties.

(**The Times of India,** Bombay and **The Statesman,** Calcutta)

[Prev. ref. 6921:INI:B, 7506:INI:I, 7714:INI:R]

IRAN

A. **Talks On Soviet-Iranian Railway:** A conference, which discussed Soviet-Iranian railway communications, ended in Tehran on April 25.

The two sides considered the question of improvement in the work at the frontier stations Ulfa-Soviet and Ulfa-Iranian, the building and exploitation of facilities for changing the guage of railway cars at Ulfa-Iranian station, the building of the Astara-Iranian railway station and of a bridge across the frontier river.

The Soviet Union offered to render the necessary technical and economic assistance to Iran in designing and building railway tracks in the town of Astara.

The two sides considered the question of electrification of the Iranian railway line from Tabriz to Ulfa and worked out the procedure for designing and building work.

They noted with satisfaction that in the first quarter of 1969 average daily transfer of railway cars between USSR and Iran was 190 as against 163 in 1968. The turn-over of freight wagons of the Soviet site at Ulfa-Iranian station was speeded up from 5.5 days to two days.

A Protocol on the proceedings of the conference was signed by Mr. V. S. Gavrilov, the Deputy Minister of Railways of USSR, and by Mr. N. Alinus, the Director-General of Railways in Iran.

(**Tehran Radio** and **Tass**)

[Prev. ref. 8799:IRN:A]

B. **Army Chief Replaced:** It was stated in Tehran on May 3 that Gen. Bahram Aryana, Chief of Staff of the Armed Forces Supreme Command, had been replaced by his deputy, Gen. Fereydoun Jam, on the Shah's orders.

No reason was given for the change.

(**The Times,** London)

C. **River Dispute With Iraq—Mr. A. Zahedi's Statement:** The Foreign Minister, Mr. Ardeshir Zahedi, accused Iraq on May 9 of stirring up the Shatt-al-Arab river dispute with his country for "internal political reasons."

Answering questions at a news conference in Hong Kong, Mr. Zahedi said the Iraqi Government was very unpopular at home. "It's a terrible dictatorship."

He added: "The Iraqi Government is very weak. They have had many **coups d'etat.** Since they are so weak and unpopular they have to create something in order to divert the people's attention."

Iran, he said, wanted to settle the dispute peacefully and according to international law. But, should the latter resort to military action, his country would repulse the attack with all the might at its disposal. "We shall defend our country if they do anything. We have been rather tolerant in the past. I don't think we shall be in the future."

He also accused Iran of ill-treating Iranian nationals, of whom there are about 700,000 in the country. Many Iranians, including casual visitors to Iraq, had been arrested and tortured.

On the Persian Gulf, he said that his Government hoped Britain's military pull-out would be permanent. Iran did not want Britain to return through the back door, nor did it want any other Power to take Britain's place.

Iran told the UN Security Council on May 9 that the Iranian Government was prepared to conclude "immediately" a new Treaty with Iraq under which the sovereign rights of both countries in the Shatt-al-Arab river would be safeguarded.

(**The Times,** London and **The Hindu,** Madras)

[Prev. ref. 7759:IRN:A]

IRAQ

A. **Recognition To East Germany: Baghdad Radio** announced on May 1 that Iraq had decided to extend full recognition to East Germany.

The **Radio** said that this decision was taken in recognition of East Germany's support of Arab causes.

Iraq is the first West Asian country to extend full recognition to East Germany. Like most Arab countries, it broke off relations with West Germany in 1965, when West Germany announced its intention to establish diplomatic relations with Israel.

(**Baghdad Radio**)

[Prev. ref. 7665:IRQ:E]

B. **Government Clashes With Kurds:** The Government admitted on May 5 that Kurdish tribesmen in northern Iraq were again fighting security forces.

It was the first official confirmation of reports spreading through West Asia that Mullah Mustafa Barzani was on the warpath once again.

A spokesman for Iraq's ruling National Revolutionary Council said in a Press statement that "renewed anti-Government hostilities in the North " had erupted. He called Barzani "a traitor fighting with Israeli arms and an agent of imperialism and the rulers of Iran."

The statement was issued by Brig. Saadoum Gheidan, Commander of the Baghdad Garrison and one of the pillars of the **regime.**

(**Baghdad Radio**)

[Prev. ref. 8404:IRQ:C, 8539:IRQ:A]

C. **Ten Spies Executed: Baghdad Radio** disclosed on May 15 that ten men—five civilians and five soldiers—convicted of spying for Israel, the United States and Iran had been executed.

The **Radio** said the civilians were hanged at dawn at Baghdad central prison and the soldiers were shot by a firing squad at a camp near Baghdad.

The civilians were Abdel-Hadi al-Bejjari, Abdullah Mohammed, Saleh al-Bokhari, Jaafar Hassan al-Haj Aziz, Sadek Mekki Jaafar and Abdel-Razzak Farhan.

The servicemen were Lt. Jawad Majid al-Haddad, Fl./Lt. Usama Hashem al-Kilani, Lance Corporal Majid Ahmed al-Alwan, Private Wajih Mohammed al-Dulaimi and Private Yassin Ahmed Fares.

The bodies of the executed were not publicly displayed as in previous cases. **Baghdad Radio** said that the bodies of the civilians were handed over to the medico-legal department.

These executions brought to 38 the number of men, including nine Jews, executed in Iraq since January 27 after being convicted of espionage.

(Baghdad Radio)

[Prev. ref. 8917:IRQ:A]

ISRAEL

A. **President Nasser Ready To Accept "Reality" Of Israel:** President G. A. Nasser said in an interview published in **Time** Magazine (US) on May 12 that he accepted the "reality" of Israel, and so would his people, if there was a humanitarian solution to the West Asian problem.

President Nasser was asked: "Are you ready to accept the existence of Israel if there is a withdrawal (of Israeli troops) and a permanent settlement?"

He replied: "I accept the reality of Israel, and so will my people, if there is a humanitarian solution. Call it Israel, or whatever they want to call it, and I will recognize it."

On prospects for a settlement, he said: "It has been almost two years since the occupation of Sinai, and there is a continuing occupation. We have agreed to a peaceful solution, implementing the November 22, 1967 Security Council resolution. Until now, Israel has not accepted it. She says she will not leave the occupied areas until we sit down with her to talk peace. But we refuse to sit. It is not called for in the Security Council resolution. If we sit now, we sit as defeated people, sitting only to capitulate. This we cannot do."

He ruled out any international occupation of the Sinai by a UN force pending further negotiations and dismissed any possibility of territorial adjustments in Sinai, under Israeli occupation since the 1967 war.

Regarding possible internationalization of Jerusalem, he said: "In any internationalization, the Jews, with a well-organized and rich world-wide community, might take advantage of us. We are for complete withdrawal from Arab Jerusalem. Without that, there can be no peace. We were not planning for war in 1967, but we must plan for war now in case everything else fails."

Asked if he was confident he was now getting correct information about Egypt's military capabilities, in contrast to the reported situation before the 1967 war, he said: "I was not handling military matters before the 1967 war. Now I am handling them directly. I am confident I am not being misled."

President G. A. Nasser's Warning:

Addressing a May Day meeting in Helwan on May 1, President G. A. Nasser warned that UAR planes could reach civilian targets in Israel and said that the raid on the Nile on April 9 gave him the right to send them.

He said in the past few weeks, UAR gunners had knocked out 60 per cent of Israeli fortifications along the Suez Canal. "And we shall go on until we destroy the rest."

It was the UAR leader's second pointed reference in just over a month to the possibility of strikes on civilian centres and came after a month of steady escalation along the Suez Canal which had again brought the West Asian crisis to flash-point.

In a confident and aggressive mood, he said that the UAR army was ready to move into occupied Sinai, but would not be pressurized into striking until the time was ripe.

He accused the Americans of trying to split the Arab ranks by proposing separate peace settlements with Israel.

Israeli Reaction:

Israeli military observers in Tel Aviv said on May 3 that Israel and UAR were dangerously close to full-scale war after President Nasser's May Day speech.

They said that tension had never been so critical along the Suez Canal front since the Six-Day War of 1967, and further escalation seemed inevitable.

Israel's army commanders, they said, took seriously President Nasser's promise to begin raids on Israeli civilian targets and continued heavy shelling of Israeli lines along the Canal.

Mrs. G. Meir On West Asian Situation:

The Israeli Prime Minister, Mrs. Golda Meir, declared in her State of the Nation message in the Knesset (Parliament) on May 5 that while Israel's armed forces were ready for any eventuality, she did not believe the Arab nations were prepared for a full-scale war.

She said: "Occasionally, our region is portrayed as being on the point of an explosion which may spread beyond this area. There is no justification for this contention. We live in this region and we are perfectly familiar with the actual state of affairs.

"To the best of our judgment, the Arab countries cannot at present permit themselves to wage a total war."

She added that while this assessment "had a firm foundation". Israel's forces "are ready for any eventuality—even for the eventuality of a mistake in this forecast."

She dismissed King Hussein of Jordan as a West Asia peace-maker and called for action by Jordan to "cease all acts of aggression."

She declared: "If the Jordanian authorities are anxious for the safety of their citizens, civilians and soldiers, let them not evade their duty to put a halt to sabotage activity.

"If this criminal activity continues, we shall not be able to absolve the Jordanian authorities from responsibility."

Referring to King Hussein's recent visit abroad, during which he had made several peace proposals, Mrs. Meir stated: "What is needed here is not pious speeches outside Israel but vigorous action in Jordan itself."

She recalled King Hussein"s six-point plan presented before the Washington Press Club on April 10 and said: "Arab propaganda gave King Hussein's speech the mighty name of a peace plan, but it contains not one word about a peace treaty or normal relations between States. Any one glancing at those six points will soon realize they contain nothing but an Arab interpretation of the Security Council resolution (of November 22, 1967)."

Israel And Atomic Bombs:

Mrs. Golda Meir re-iterated in Jerusalem on May 9 that Israel had no atomic bombs and described recent Press reports of Israel's would-be nuclear power as "absolute fiction."

She said: "Israel has no nuclear bomb. Israel has no intention of using nuclear bombs. Every once in a while this fiction comes up about Israel either just about to have an atomic bomb, or that Israel already has nuclear bombs. Now we are presented with five bombs. I wouldn't be a bit surprised if in a few months we'll be presented with a few more. But all this is absolute fiction."

She was referring to a report in Germany's **Der Spiegel** news magazine on May 7 to the effect that Israel already had five or six bombs.

Cairo newspapers said that reports that Israel had manufactured nuclear bombs were lies and part of the Jewish State's "psychological warfare" against the Arabs.

Israel, they said, had "spread this lie through the foreign Press and, *in the meantime, denied it according to a plan designed to affect the morale of the Arab people."*

According to the West German news magazine **Der Spiegel** on May 8, Israel had become the world's sixth nuclear Power and had built atomic bombs, with French help, at a secret plant deep *in the Negev Desert.*

The magazine said that at least five, and possibly six 20-kiloton bombs had been produced at the closely guarded plant near Dimona. Security was so stringent that a damaged Israeli Mystere jet fighter which strayed into the Dimona area during the June, 1967 war was shot down.

It said that most of its information was obtained first-hand. A spokesman noted that the Israeli Government had refused to comment on the report and said Israeli newspapers had been told not to reproduce the magazine's report, although **Der Spiegel** is freely on sale in Israel.

It said that "last January NBC aired a programme alleging that Israel's first nuclear bomb was almost ready. Israel issued an immediate denial. It appears NBC missed the exact date by only 18 days. The bombs were completed during early February."

The account said that Egyptian Intelligence became aware of the bombs' completion in late February this year. President Nasser immediately issued a call for help to the Soviet Government and requested that Soviet nuclear arms be stationed on Egyptian soil.

Mr. A. Eban On French Aircraft Supply:

The Israeli Foreign Minister, Mr. Abba Eban, told Parliament on May 12 that the Government was continuing to bring pressure on France to deliver the 50 **Mirage-V** aircraft paid for before the Arab-Israeli war of June, 1967.

The planes, he said, had long been ready for delivery but had been held up because of the French arms embargo. Israel had not asked for the return of the money paid for the aircraft. If the money had been refunded France would have had the right to sell the aircraft to any country, including an Arab country.

UAR Attitude To Cease-Fire Line:

Cairo newspapers declared on April 26 that the Suez Canal could be considered the cease-fire line between the Egyptian forces and Israel.

The new theme, apparently reflecting a definite policy decision, was hammered home in several editorials after a month of almost daily artillery duels across the Canal and the beginning of commando raids in Sinai by special units of the regular Egyptian army.

The view-point that the Canal was no more than an accidental dividing line between Israeli and Egyptian forces was first stressed in conversations the Foreign Under-Secretary, Mr. Salah Gohar, had with Gen. Odd Bull, Chief United Nations West Asian Observer, in Cairo earlier.

Expanding on the theme, **Al Ahram,'** which is usually considered to reflect official thinking, said that the UN Security Council's resolution of June 7, 1967 "did not specify a certain line complying with the present positions held by Israeli forces and which Israel since that date has been continuously working to fortify".

The cease-fire resolution, it said, was simply a "preliminary decision" aimed at putting an immediate stop to the fighting and was intended to be followed by measures for the withdrawal of Israeli troops.

It said that the UAR Government's attitude could be summed up in the following six points:

(1) UAR agrees to all UN resolutions including those of the Security Council dated June 7, 1967 and November 22, 1967.

(2) UAR has already said it will apply all decisions of the UN aimed at a West Asian settlement.

(3) UAR considers that the above two resolutions are closely linked and that the parties concerned must apply both, and not just one resolution.

(4) The UN Security Council must urge Israel to apply the November 22, 1967 resolution, which includes the demand for Israel to withdraw from occupied territories: moreover, since the two resolutions are linked and any cease-fire must conform to international laws, such a withdrawal must be followed by a separation of the belligerent forces.

(5) So far, Israel has agreed only to the June 7, 1967 cease-fire agreement.

(6) Continued Israeli occupation of Arab territory is against the November 22, 1967 resolution.

The Fighting:

Fighting in West Asia continued between regular Israeli forces and Egyptian or Jordanian forces, some sporadically and some more seriously. Arab commandos contributed their share.

On April 24, Egyptian and Israeli troops clashed for nearly two hours across the Suez Canal. **Cairo Radio,** quoting a military spokesman, said that the Israelis opened fire south of the Bitter Lake, using artillery and tank guns and Egyptian troops returned the fire.

Also, on April 24, a 30-minute artillery duel raged in the south of the Jordan Valley after Israeli forces opened up with automatic weapons and mortar-fire on Jordanian positions.

On April 26, according to a Cairo military spokesman, Egyptian commandos infiltrated Israeli lines and knocked out fuel and ammunition depots in a dawn attack in Sinai

The attack was the fifth by what are called "special units" of the regular Egyptian Army in the past week. Other groups crossed the Suez Canal in boats to strike at Israeli posts along the fortified east bank. Previously, commando attacks in Sinai were understood to be confined to non-army guerrilla groups.

A report from Tel Aviv said that several rocket shells fired from Jordanian territory on April 26 landed near the frontier town of Beit Shean, south of the Sea of Galilee. Israelis immediately returned the fire. There were no casualties.

On April 25, Gen. Odd Bull, Chief UN Observer in West Asia, held the United Arab Republic responsible for the daily tank and artillery battles with Israeli troops across the Suez Canal.

Three new reports to the UN Secretary-General, U Thant, indicated that UAR had again initiated battles on April 22 and 23. Gen.

Bull had repeatedly blamed UAR for recent exchanges along the Canal. He reported to U Thant that on April 23, "all observed firings were by UAR forces. No firing by Israeli forces were observed." Eleven observation posts said that the UAR forces used rifles and sub-machine-guns sporadically through most of the day.

Several leading Western nations, including USA, expressed their grave concern over the explosive developments across the Suez Canal.

According to a Jordanian spokesman, 20 Israelis were killed or wounded in a two-hour artillery duel in the southern Jordan Valley.

He said that two Israeli tanks, five military vehicles, a military tractor and an observation post were destroyed and an artillery position silenced.

On April 26, Israel sent UAR an ultimatum threatening severe military action if incidents across the Suez Canal were not discontinued. The ultimatum was conveyed to the Egyptian Foreign Minister through an envoy of a Western Government on April 25.

Israeli jets swept across the Jordan River on April 29 to silence Arab posts which had shelled Israeli troops south of the Sea of Galilee.

An Israeli military spokesman said that five Israeli soldiers were wounded during the earlier bazooka and mortar attacks from across the River.

According to a report by the UN Control Post Observers, UAR was responsible for most of the shooting along the Suez Canal during the week-end. Gen. Odd Bull said that, according to the investigations of the individual UN control posts, UAR troops were the first to fire in nine cases on April 26 and in 13 cases on April 27. Israeli troops had fired four times on April 26 and twice on April 27.

Israel protested to the Security Council on April 28 about the use of Iraqi artillery during an alleged attack against villages and civilians in the Israeli-Jordan Valley on April 19.

The Israeli protest said that as a self-defence measure Israel had attacked "saboteur centres", Jordanian and Iraqi military positions and two Egyptian-operated radar stations.

According to an Israeli Army spokesman, Israeli commando units struck 193 kilometres inside UAR on April 29, blasted a dam and a bridge and destroyed high-tension electric cables supplying Cairo.

The Israeli Prime Minister, Mrs. Golda Meir's office said that the raid was in retaliation for the violation by UAR of the 1964 cease-fire Agreements.

The raid—almost an exact copy of the last commando incursion to UAR six months ago—struck at two main areas of the Upper Nile, below the Aswan High Dam.

Two parallel high-tension cables 100 yards apart carrying 500 kilo-volts of power to Cairo were cut. The lines were 180 km south of Cairo at a place identified as Naj Hamadi. There were six main pylons and a control centre in the complex. Four transformer stations 30 km farther north were hit in the 1968 attack. The Naj Hamadi Dam—also hit last year—was attacked and "heavily damaged". The Dam stretches 300 yards across the Nile and is 20 yards wide.

The Army spokesman emphasized that—contrary to UAR reports that the targets were bombed—the raids were by commando units. "They met no resistance whatsoever".

UAR confirmed the raid and said that two Israeli war-planes bombed targets in the Nag Hamadi and Edru region, along the Nile. A UAR military spokesman claimed that UAR anti-aircraft batteries fired on the planes forcing them to withdraw, without causing any damage.

The incident took place as sporadic firing continued along a 30-kilometre stretch of the Suez Canal—scene of an artillery, tank and automatic weapons duel earlier on April 29.

Israeli jets swept across the River Jordan on April 29 to silence Arab posts which had shelled Israeli troops south of the Sea of Galilee.

Four Israeli soldiers were wounded in an exchange of fire with Egyptian forces across the Suez Canal on May 1. The firing, north of El Qantara, was started by Egyptian troops on the west bank of the Canal.

Jordanian and Israeli forces exchanged gun fire for 40 minutes in the northern Jordan valley on May 1.

Egyptian and Israeli forces exchanged intermittent fire for 3½ hours across the Suez Canal on May 2. The Israelis opened fire against Egyptian positions in El Tina, north of Qantara. Egyptian forces returned the fire and the clash continued intermittently.

An Israeli spokesman said that two Israelis were killed and four wounded in a series of clashes between Israeli troops and Arab guerrilla bands, which came from Jordan, in the former Syrian Golan Heights during the night and in the morning on May 2.

An Israeli officer and a soldier were shot dead in a gun battle in the region of El-Hamma, in the southern region of the Golan Heights seized by Israel in the 1967 war. Four Arab guerrillas were killed in the clashes at both ends of the Golan Heights.

Israeli Air Force planes bombed and strafed a "saboteur base" near Shnoesh in Jordan on May 4. This was an El Fatah Palestinian commando base 30 km east of the Arava area, which is south of the Dead Sea. The saboteurs at the base had recently carried out several raids on Israeli territory.

Meanwhile, an Israeli military spokesman denied reports from Cairo of a 16-hour artillery, mortar and small-arms battle with Egyptian forces across the Suez Canal on May 3.

An Amman report said that a number of Israeli planes raided southern Jordan on May 7. The Israeli planes attacked the Al Harir area south-east of Al Tafila in southern Jordan. There were no casualties among Jordanian forces or civilians.

Earlier, on May 7, Jordanian and Israeli forces clashed in the northern Jordan Valley.

UAR and Israeli forces fought a two-hour artillery battle across the Suez Canal on May 7. The Egyptians started shelling the eastern side of the Canal, about ten km north of El Qantara and subsequently extended the shelling towards El Qantara itself.

An Israeli Army spokesman said that Israeli war-planes streaked into south Jordan on May 7 to attack an El Fatah guerrilla base. It was the second raid on an alleged saboteur camp in south Jordan in three days. On May 4, an encampment said to belong to the Popular Front for the Liberation of Palestine was hit south-west of Shaubak.

A terse announcement said: "A few planes struck at Bir al Harir, 6.5 miles south-east of Tafila and 20 miles over the border from a point south of the Dead Sea. All the planes returned saely." Bir al Harir is about 10 miles north-east of Shaubak.

In Cairo, an Egyptian military spokesman said an Israeli observation aircraft had been shot down and was seen crashing in flames east of Port Fouad near the Suez Canal.

In Tel Aviv, a spokesman reported the breaking up of two Arab sabotage rings based in Gaza Town and in El Aris in northern Sinal.

An official **communique** issued in Tel Aviv on May 9 said that 36 Palestinian terrorists had been killed and eight captured between April 19 and May 7.

In Haifa, three Israeli Arabs were given prison terms from four to seven years on charges of spying for Syria on May 8.

Commando units of the Israeli regular army crossed the Jordan River and demolished 12 buildings used by the Arab saboteurs.

An Israeli Army spokesman said that the commandos. who penetrated two km within Jordan territory, did not suffer any casualties. It was the second raid across the cease-fire line within 12 hours. Israeli Air Force planes had strafed the Arab saboteurs' camp in southern Jordan on May 8.

Two more Israeli soldiers were killed and four wounded in artillery duels along the Suez Canal cease-fire line on May 8. It was the second day of Israeli casualties on this scale.

An El Fatah spokesman said that commandos of El Fatah, the Arab *guerrilla organization, carried out a series of attacks on Israeli positions on May 10. He said that the comman*dos launched a surprise attack on an Israeli police post at Sweima bridge, two km north of the Dead Sea, and on an advance military position in the same area.

Jordanian forces opened fire with artillery and tanks early on May 12 on Israeli positions on the West Bank of the Jordan.

Israeli planes flew into Jordan on May 12 to attack an Arab guerrilla base, while fighting on the Suez Canal continued throughout the day.

The planes attacked Tabaqat Fahi, ten km across the Jordan River cease-fire line, opposite the Beisan Valley settlement of Kfar Ruppin, 24 km south of the Sea of Galilee. The raid lasted 15 minutes and all the planes returned safely to Israel.

It was Israel's fourth reported air raid on alleged sabotage of bases in Jordan in May.

On the Suez Canal, two soldiers were killed and another wounded in intermittent fighting on May 13 along the 20-mile stretch of waterway between El Qantara and Port Fuad.

Israeli commandos tried to cross the Suez Canal on May 14 under cover of darkness but were repulsed, a UAR military spokesman said.

The spokesman said that three Israeli groups started across in three rubber dinghies, just north of Le Cap, a small village north of El Qantara in the marshy regions in the northern sector of the Canal. The UAR sentries spotted the boats, opened fire and sank one. The other two boats turned and fled back to the Israeli-held side. The Israelis then opened artillery fire in apparent retaliation for their failure to land on the UAR-held west bank. The artillery duel spread to El Qantara, El Shat and Port Said.

(**The Times**, London, **The New York Times**, **The Egyptian Gazette**, Cairo, **Jerusalem Post**, **The Hindu**, Madras and **The Statesman**, Calcutta)

[Prev. ref. 8919:ISR:A]

B. **Future Importance Of Suez Canal:** The President of the Baltic and International Maritime Conference, Mr. Gerhard Hansen-Stahl, said in Munich on May 7 that if and when the Suez Canal was re-opened to shipping of all nations, it would hardly resume its old *importance.*

Addressing the annual Maritime Conference, he said the second closing of the Canal in 12 years—this time with 15 ships bottled up inside —had caused "a profound disturbance in the pattern of trade. The cost had been heavy to shipowners and consumers alike."

He said there were marked changes in movement of goods and new areas supplying consumer countries —in particular European areas—as a consequence of the new freight rate structure.

"One thing is certain. If and when the Canal is re-opened to shipping of all nations, it will hardly resume its old importance. Warned by bad experience in the past, shipowners all over the world have in the meantime adapted themselves to the changed conditions.

"The vast shipbuilding programme of giant tankers and bulk carriers is only one of these consequences.

"It will be a sad thing for everyone if the Canal—which has been of such vital service to trade and humanity for a century—should fall into disuse. But it could happen."

(**The Times of India**, New Delhi)

[Prev. ref. 7950:ISR:A]

PAKISTAN

A. **Election Commission's Future:** In a BBC televised interview on May 28, the President, Gen. M. Yahya Khan, claimed that his military Government was determined to hold free and impartial elections to hand over power to the elected representatives of the people.

He said that the social and industrial reforms being carried out in the country were designed to ensure the general welfare of the people.

Yet, he took the first steps on the same day to disband the Election Commission.

According to authoritative reports, all the permanent employees serving with the Election Commission have been asked to go back to their parent departments from which they had come on deputation, and the temporary employees were given termination notices.

F-M. Ayub Khan had set up the Election Commission soon after the promulgation of the 1962 Constitution which he gave to the country. It was responsible for the conduct and supervision of elections to the Provincial Assemblies, the National Assembly and the office of the President of the country.

On April 26, in a talk with the editors of newspapers in Dacca, Gen. Yahya Khan had said that before elections could be held, there was the need to create a national basis of discipline. "Fundamentals of political conduct and behaviour should be agreed upon before political activity can be resumed."

He had further said that he would go ahead with the task of setting the election machinery in motion only after the climate for the resumption of political activity had been created.

(**The Statesman**, Calcutta)

[Prev. ref. 4449:PAK:F.]

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CHINA

A. Acceptance Of Soviet Proposal For Talks: On May 11, China accepted a Russian proposal to resume regular meetings of the Sino-Soviet Joint Commission for Navigation on Border Rivers, which last met in 1967 in the Chinese city of Harbin.

[Until now, however, China had not responded to two Russian Notes of March 29 and April 14, recommending extensive negotiations to settle the actual border dispute between them]

The Soviet proposal sent to China on April 26 had called for new talks on navigation on the Amur, Ussuri, Argun and Angacha rivers as well as Lake Khanka.

The Peking telegram to Moscow accepting the talks proposal was released by the official **Hsinhua** news agency.

The telegram suggested that the forthcoming meeting be held in the Soviet city of Khabarovsk at a date to be fixed in mid-June. The message referred to Khabarovsk as Poli, its old Chinese name.

Signed by the chief Chinese representative on the joint commission, Mr. Chan Fa Ping, the telegram charged the Russians with "slander" for having accused Peking of declining to attend a meeting last year.

The message expressed doubt about the extent of Soviet sincerity in convening the forthcoming meeting, but added: "Nevertheless, proceeding from its consistent stand of safeguarding normal navigation ...on the boundary rivers, the Chinese side has still decided to send its delegation to this meeting.

"The Chinese side hopes that the Soviet side will adopt a positive attitude.... Our side considers that it is necessary for both sides to make good preparations in order to make a success of this meeting."

In his report to the opening session of the Communist Party Congress in Peking on April 1, Marshal Lin Piao, Vice-Chairman, disclosed that the Soviet Premier, Mr. Alexei Kosygin, had tried to discuss the border problem by telephone on March 21.

Marshal Lin added that Peking had rebuffed Mr. Kosygin, telling him that telephone communication was "unsuitable," and advising the Soviet Government to use "diplomatic channels" if it had anything to say. As a result, Moscow had issued its March 29 statement, to which "our Government is considering its reply."

Russian Press Criticism:

Several anti-Chinese articles appearing in the Moscow Press on May 7 centred on the Sino-Soviet border dispute.

This followed an indirect warning to China given by Mr. Kosygin in New Delhi the previous day when he cautioned India against the "desire for hegemony" of certain of its neighbours. It also coincided with the announcement that President N. Podgorny would visit Mongolia and North Korea.

Mr. Kosygin's statement and the proposed visit of Mr. Podgorny were seen by Western observers as part of a fast developing diplomatic offensive aimed at increasing China's isolation and strengthening Soviet positions, particularly in North Korea.

Pravda devoted an article to the situation on the frontier between Kazakhstan and China, where, it said, Chinese guards shouted quotations from Mao across the border.

The **Literary Gazette** emphasized the unfortunate situation of the minority populations of Sinkiang, denouncing the "massive colonization" of the region by the Chinese and the humiliations heaped on the local population.

The same newspaper revealed for the first time that on May 29, 1962, the Chinese massacred more than 200 Kazakh and Uighur residents of Sinking Province who wanted to visit their relatives on the Soviet side of the border. The dead included women and children.

Red Star in a commentary on the recent Ninth Congress of the Chinese Communist Party imputed to China a kind of international claustrophobia, declaring that the Chinese were constantly being told they were surrounded by enemies, an argument reminiscent of Stalin's pre-war obsession with capitalist encirclement.

Red Star said: "Behind the smoke-screen of danger threatening from everywhere, society (in China) is being militarized on an unparalleled scale. Branches of production are termed 'fronts'. Factories are 'divisions and regiments,' shops are 'battalions and companies.' The factory administration is the 'command'."

The Chinese Army, according to **Red Star,** was now in full control of the economy. For the first time, the newspaper stated that shipments of Soviet weapons, including artillery, in transit for Viet-Nam **via** China were rifled by the Chinese.

The paper re-affirmed charges that a large proportion of the more than 20 million city dwellers forced into rural settlement had been sent to national minority border areas to speed up assimilation. **Red Star** added that Red Guard newspapers in China had frankly described the "Cultural Revolution" as a military dress rehearsal for the preparation of a prolonged war and a world war.

It said that Mr. Mao Tse-tung himself had made this clear when he issued his appeal: "Prepare for hardship. Prepare for war."

(The New York Times and **The Times,** London)

[Prev. ref. 8909:CHI:A]

B. Bid For Control Over Intellectuals: Peking made on May 4 a new attempt to strengthen control over young intellectuals.

Three of China's leading publications, the Peking **People's Daily,** the Red Flag, a fortnightly magazine, and the **Liberation Army Daily,** carried a joint editorial article urging the intellectuals to "integrate themselves with the workers, peasants and soldiers".

The article was to commemorate the anniversary of the May 4 movement—a campaign launched in 1919 to protest at the way China was treated at the peace conference preceding the signing of the Treaty of Versailles.

The article, however, defined the true role of the intellectual in China.

The part played by young students and Red Guards in assuring victory for the Maoists in the Cultural Revolution should be acknowledged as tremendous, the newspapers said. "The revolutionary cause needs the participation of as many intellectuals as possible." However, the editorial warned that "many intellectuals often vacillate and lack a thoroughly revolutionary spirit."

To remedy this, they called on the educated classes to seek re-education "for a long period of time" at the hands of peasants, workers and soldiers.

(**The Times**, London)

[Prev. ref. 8967:CHI:A]

INDIA

SUMMARY: Discharge Of President's Functions Bill; Nagas' Convention; CPI-CP(M) Unity Talks; INTUC Annual Session; Nehru Award.

A. ***Discharge Of President's Functions—Bill Passed:*** The President (Discharge of Functions) Bill was passed by the Rajya Sabha on May 19.

The Bill, which provides for the discharge of the functions of the *President of India by the Chief Justice of India in the event of both the President and Vice-President being incapacitated or otherwise rendered incapable of performing* their duties, was passed by the Lok Sabha earlier.

The debate on the Bill yielded some arguments against the Chief Justice discharging the functions of the President and for the Speaker of the Lok Sabha to discharge the functions of the President.

According to the Bill, the person discharging the functions of the President shall have "all the powers and immunities of the President and be entitled to such emoluments, and allowances and privileges, as may be determined by Parliament and until provision in that behalf is made such emoluments, and allowances and privileges, as are specified in the Second Schedule."

The Statement of Objects of the Bill says: "Under Article 70 of the Constitution, Parliament may make such provision as it thinks fit for the discharge of the functions of the President in any contingency not provided for in Chapter I of Part V of the Constitution. Article 65 provides for the Vice-President acting as President or discharging his functions during casual vacancies in the office, or during the absence of the President.

"The Constitution does not provide for cases where a vacancy occurs in the office of the Vice-President or where the Vice-President is unable to discharge his functions while acting as President or discharging the functions of the President. The Government, therefore, considers it necessary to make provision to cover such cases."

(**The Times of India**, New Delhi)

[Prev. ref. 8979:INI:A]

B. **Restrictions On Import Of Stainless Steel And Synthetic Fabrics From Nepal:** According to an official notification issued in New Delhi on May 21, restrictions have been imposed on the import of stainless steel and synthetic fabrics from Nepal.

Stainless steel and synthetic fabrics from Nepal will be allowed only in accordance with the "regulatory arrangements" agreed on between the Governments of India and Nepal in November, 1968, when it had been agreed that Nepal would restrict the exports of stainless steel and synthetic fabrics to the level, both in terms of quantity and value, obtaining in 1967-68.

Exports of stainless steel utensils and synthetic fabrics from Nepal proved a lucrative business because of the scarcity of these goods in India. These goods were manufactured in Nepal through joint ventures by Indian and Nepalese businessmen for whom it was a profitable proposition to export these goods to India.

In 1967-68, Nepal exported about Rs. 1.8 crores worth of stainless steel utensils to India. The value of synthetic fabric exports was estimated at about Rs. 2 crores. Since imports of raw material to manufacture these goods are controlled in India, this country naturally did not like large exports of these commodities from Nepal.

At the time the November Agreement was entered into, a spokesman for the Government of India had stated that if Nepal failed, by its own export control measures, to limit the out-flow of these goods to the 1967-68 level, India would be forced to consider imposing import controls on the entry of synthetic fabrics and stainless steel utensils. Hence, the present restrictions.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8717:NEP:B]

C. **Nagaland Nationalist Organization's Convention:** Addressing the annual convention of the ruling Nagaland Nationalist Organization in Kohima on May 21, the State Chief Minister, Mr. Hokishe Sema said that the morale of the underground Nagas had been shattered beyond recovery after the recent capture of several China-trained hostiles.

He said that with the return of the NNO-led popular Government for a second term, the turn of events in Nagaland had gone completely against the hostiles. During the last three months, 420 out of a total of 555 hostiles who returned from China had either surrendered, or were captured or killed. Contrary to rumours, the actual number of hostiles who went to China for training and arms was only 555.

He said that the first group led by Thinochillie consisted of 148 persons. Of them, eight had surrendered and five had been captured. The rest were still at large.

The second group consisting of 331 men led by "Gen." Mowu Angami and Issac Swu had returned from China fully armed. Of them, 290 including some Burmese insurgents had been captured.

The third group led by Dosai had been arrested by the Burmese and 76 of them handed over to the Indian authorities. He did not know how many of them were killed.

Resolutions:

The NNO annual convention concluded its two-day session on May 22 with a resolution to take the initiative for a satisfactory political settlement acceptable to the Nagas and the Government of India.

This was the first time that the ruling NNO was taking the initiative for a settlement with a pledge to make contacts with the underground Nagas and bring about a settlement.

A resolution passed at the end of the session said that "being fortified by the public conference and realizing the profound desire of the people for peace and a permanent settlement, the NNO will take active and positive steps for a settlement".

Two other resolutions—one on the implementation of the 16-point Delhi 1960 agreement and the other a strongly-worded warning to Assam on the border dispute—were also adopted.

It also suggested that the Five-Year Plan for Nagaland should come under special review by the Planning Commission in 1970. It asked for more funds as a special case so that the State could provide more roads, water and electricity.

It also urged the Centre to transfer the law and order responsibilities, entrusted with the Governor, to the Nagaland Government immediately.

(The **Statesman,** Calcutta and **The Hindustan Times,** New Delhi)

[Prev. ref. 8172:INI:G]

D. **New Envoys:** It was announced in New Delhi on May 16 that Mr. Wladimir de Amaral Murtinho had been appointed Brazilian envoy to India.

Mr. Murtinho has been liaison officer of the External Relations Ministry with Parliament.

Also, Mr. Naiden Penev Belchev was appointed Bulgarian Ambassador to India.

(**The Times of India,** New Delhi)

[Prev. ref. 5859:INI:E, 6736:INI:F]

E. **CPI-CP(M) Joint Talks For Unity:** In a brief joint statement issued on May 27 at the end of their three-day talks in Calcutta to find ways to heal their divisions and come together again, the CPI and the CPI (M) expressed their agreement that efforts must be continued for improving relations between the two parties and their relations with other parties constituting the United Front Governments in Kerala and West Bengal.

The meeting was the first of its kind at the national level since the two parties split into two in 1964.

It was described by Mr. C. Rajeshwara Rao, general secretary of the CPI, as a "very good beginning."

The joint statement noted that differences existed between the two parties on the recent developments in Kerala and West Bengal and on "several other important issues," which were not named, but both sides agreed that the United Fronts in the two States should be consolidated and strengthened and that necessary steps for this purpose should be taken.

Both sides attached great importance to the prevention of clashes as well as to the elimination of the atmosphere that gave rise to them and to the avoidance of unfounded accusations.

The statement indicated that the two parties had decided to take up the matter with the respective State committees of the parties before any decision was taken on the issues under dispute.

It was also stated that the two delegations had agreed to meet again and continue discussions on problems of united action and united mass movements as and when such meetings were decided upon by mutual consent.

The statement was signed by Mr. P. Sundarayya on behalf of CPI(M) and Mr. Rajeshwara Rao on behalf of CPI.

Mr. Rajeshwara Rao explained that the joint meeting did not discuss the possibility of the two Communist Parties coming closer at the national level. In other words, the ideological dispute between the two parties was kept out of the purview of the present meeting. The emphasis was on efforts to preserve the United Fronts in Kerala and West Bengal and the need for greater understanding between the two parties towards this objective. He added: "As far as we are concerned, I think the current talks are an advance towards better understanding of the two parties."

(**The Hindustan Standard** and **The Statesman,** Calcutta)

[Prev. ref. 8913:INI:G]

F. **Another Maoist Extremist Party Contemplated:** It was learnt in Calcutta on May 18 that the Left Communist extremists who have kept away from the newly-formed Communist Party of India (Marxist-Leninist) plan to form another party.

Their party will also be a Maoist party but different from the CPI (M-L) which, they allege, is distorting Maoism and following the middle-class revolutionism of Che Guevara, the late Cuban revolutionary.

These dissident Naxalites have parted company with the CPI (M-L) mainly on the question of formation of a party at this stage. They say that a revolutionary communist party cannot be formed by a mere dramatic announcement but through a series of processes, including formulation of a programme and a tactical line.

Alleging that the CPI (M-L) has neither, they say that the notions of a "peasant-based" party, a "guerrilla-based" party, or a "village-based'" party were contrary to Marxism-Leninism. The leadership of the working class should not be equated with city-based revolution. The latter has to be avoided, but the idea of a struggle based solely on poor and landless peasants in the rural areas and on guerrilla warfare has also to be shunned. Such tactics cannot bring about revolution. The stress on peasant politics and peasant-based party betrays a kind of "Narodnik thinking."

The leader of the dissident group is Mr. Parimal Dasgupta, a former secretary of the Calcutta district committee of the CPI(M). He was the convener of the Naxalbari Peasants Struggle Assistance Committee which was the first open sign of an impending split in the CPI(M) in West Bengal.

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 8970:INI:E]

G. **Companies Bill Passed:** The Rajya Sabha adopted on May 19 an official Bill banning donations by companies to any political party and abolishing the managing agency system.

The Bill, passed by the Lok Sabha a few days earlier, also abolished the offices of Secretaries and Treasurers in companies.

Both measures had received wide support from all sections in both Houses.

Some members also wanted the Government to curb monopolists, check unaccounted money and prevent underhand donations by companies.

The Minister for Industrial Development and Company Affairs, Mr. Fakhruddin Ali Ahmed, said that acceptance of the amendment would amount to "over legislation". He did not think that any one would be "foolish enough" to donate knowing fully well that be would face punishment.

Mr. Bhupesh Gupta (CPI) unsuccessfully fought for his amendment which sought to abolish the managing agency system on July 1 this year and not April 3, 1970 as provided for in the Bill.

The Bill had passed through a Joint Select Committee earlier.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8854:INI:S]

H. **INTUC Annual Session:** In his Presidential address at the 18th annual session of the Indian National Trade Union Congress (INTUC) in Quilon on May 19, Mr. Abid Ali called upon workers to transform themselves into crusaders for fighting the evils of regionalism, linguism, sectionalism, indiscipline and corruption as well as anti-national and anti-social elements.

He said: "Instead of political parties dominating industrial workers, a time is coming when industrial workers will influence and shape party policies."

Political parties must remember that those days were gone when they could use industrial labour for their self-interest. A new situation was emerging. The industrial working force, though in a minority in comparison to the total population, was very much potent and articulate today. It also controlled the nerves and life-lines of the nation.

He said that if relations between political parties and industrial workers were to remain harmonious and cordial, institutional relations must be established between the parties and trade unions.

To improve industrial relations, he suggested a "five-year truce" under which employers and workers' organizations should agree to refer to voluntary arbitration all unresolved disputes. To end linguistic fanaticism, he suggested re-constituting the country into four or five zones based on administrative convenience.

Referring to the poor performance of the public sector undertakings, he called for a re-appraisal with regard to their performance, services and industrial relations. The public sector was deteriorating and developing into a "State bureaucratic capitalism." It was high time that the working of the public sector was streamlined instead of merely degenerating into an "asylum for *some highly placed but inefficient civil servants, either on the verge of retirement* or re-employed after retirement."

New Office-bearers:

On May 20, Mr. Gulzari Lal Nanda was elected President of INTUC for 1969-70.

The Vice-Presidents are: Mr. Michael John, Dr. (Mrs.) Maitrayee Bose, M.P., Mr. Kashinath Pandey, M.P., Mr. V. V. Dravid and Mr. N. M. Barot (all re-elected).

Mr. G. Ramaņujam and Mr. A. N. Buch were re-elected General Secretary and Treasurer, respectively.

Resolutions:

In a resolution adopted on May 20, the INTUC demanded the appointment of a Third Pay Commission by the Government of India for its employees, including industrial workers.

It said that the appointment of such a commission was highly overdue as the Second Commission was set up some 12 years ago.

In another resolution, INTUC appealed to the Government to bring comprehensive legislation governing relations between employers and employees in all essential services, not only in the Government or the public sector, but also in the private sector, to replace the present legislation governing employees in essential services.

It said that strikes by these employees could be avoided only by making available self-contained and more effective machinery to deal with employer-employee differences. Such machinery should provide primarily for direct negotiations, and failing this, for arbitration. Where arbitration was not available, disputes should be referred to compulsory adjudication at the instance of the State or either party.

(**The Hindu,** Madras and **The Times of India,** New Delhi)

[Prev. ref. 8352:INI:N]

I. Take-over Of Cooch-Behar Land By West Bengal Government: The West Bengal Government took over on May 6 about 15,000 bighas of land from the Maharaja of Cooch-Behar.

A notice was served on the Maharaja under the Estate's Acquisition Act under which the Maharaja was entitled to retain only 75 bighas for his own agriculture and 60 bighas for his homestead.

Of the about 15,000 bighas taken over, about 12,000 bighas were cultivable paddy land. Besides, there were 400 bighas of land adjacent to the Maharaja's palace and few big *buildings in Darjeeling.*

The State Land Revenue Minister, Mr. Hare Krishna Konar said that "the take-over of the Maharaja's land is a severe blow to feudalism." He said "the take-over is legal and fully justified." The Congress Government had desisted from taking over the lands "for its own class interests" and offered an excuse that the 1948 agreement on the accession of the State guaranteed the ruler protection from such take-over.

He said that the first United Front Ministry in 1967 had planned the take-over of the Maharaja's lands. Immediately after assuming power for a second time, the Ministry examined all legal aspects connected with the take-over.

Restraint Order By Calcutta High Court:

On May 14, the Calcutta High Court granted an **interim** injunction restraining the West Bengal Government from taking possession of the personal properties of the Maharaja of Cooch-Behar in terms of its recent acquisition order.

The Court also asked the State Government to show cause why its order dated April 25, 1969 should not be set aside.

The application was moved under Article 226 of the Constitution on behalf of the Maharaja.

The Government order had directed him to give up possession of some of the land which, according to the Government, was vested in the State of West Bengal under the Estate Acquisition Act.

It was contended that the petitioner had entered into an agreement with the Governor-General of India on August 28, 1949, whereby the administration of the State of the Maharaja was transferred to the Dominion of India. This agreement guaranteed that the personal properties of the petitioner could not or did not vest in the State of West Bengal at any time.

The petitioner submitted that the order was bad in law and ultra **vires** of the provisions of the West Bengal Estate Acquisition Act, 1953, as the Maharaja could be called an "intermediary" within the meaning of the Act and his properties, therefore, could not be called 'estate.'

(**The Statesman,** Calcutta)

J. Minimum Wages Fixed For Manganese Mine-workers: The Government by a notification on May 21 fixed the minimum rates of wages for unskilled, semi-skilled and skilled supervisory and clerical workers in manganese mines.

The minimum rates of wages of the same categories or workers in respect of scheduled employments in agriculture and construction industries in the Central sphere and bauxite and gypsum mines were also revised.

For fixing wages in agriculture and construction industries the country was divided into five areas. The minimum wages for unskilled labour in agriculture vary between Rs. 2.50 and Rs. 3.70 a day and in construction industry they are from Rs. 2.40 to Rs. 3.50 a day.

A cartman is an "unskilled" worker. A coachman is "semi-skilled", while a "driver" becomes fully "skilled." Accordingly, minimum wages for these classes of farm workers were fixed.

Agricultural labourer, grazier, grass-cutter and weighman were classified as unskilled and their minimum wages range from Rs. 2.50 in 'D' areas to Rs. 3.70 in 'A' areas.

The cultivator, ploughman and bullman were classified as semi-skilled and their minimum wages range from Rs. 3.30 in area 'D' to Rs. 4.90 in area 'A'.

More than 6,00,000 workers in agriculture and construction and mining industries in the Central sphere were covered by the notification.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8880:INI:P]

K. BKD Wins UP Lok Sabha By-election: The Bharatiya Kranti Dal (BKD) candidate, Mr. Sripati Misra, was declared elected to the Lok Sabha on May 19 in the by-election from the Sultanpur parliamentary constituency in Uttar Pradesh.

Mr. Misra, who was locked in a direct fight with the Congress candidate, Dr. Kailash Nath Singh, won the election by a margin of 249 votes. Mr. Misra polled 48,041 votes against Dr. Singh's 47,792.

The vacancy was caused by the death of a sitting Congress member, Mr. Ganpati Sahai.

The following are the details:

Electorate: 5,74,379.

Votes polled. 98,915.

Mr. Sripati Misra (BKD): 48,041.

Dr. Kailash Nath Singh (Cong): 47,792.

Invalid votes: 3,082.

Mr. Misra, who had been elected to the UP Assembly in the 1967 General Election as a Congress candidate, was the Deputy Speaker during the brief non-Congress **regime.** He was, however, defeated in the mid-term poll from Lambhua, one of the five Assembly constituencies constituting the Sultanpur parliamentary constituency.

(**National Herald,** Lucknow)

[Prev. ref. 8880:INI:Q]

L. Nehru Award For 1967: Khan Abdul Ghaffar Khan, veteran freedom-fighter and close associate of Mahatma Gandhi, has been selected for the 1967 Jawaharlal Nehru Award for International Understanding.

The 80-year-old Pakhtoon leader, popularly known as "Frontier Gandhi," at present in Kabul, will arrive in New Delhi in September to receive the Award.

The jury which made the selection said it was "most appropriate" that in the Gandhi Centenary Year, the Award should be made to a person whose life and work truly reflect Gandhiji's ideas and ideals.

Khan Abdul Ghaffar Khan had languished for several years in jail—first for his part in India's freedom struggle and later, after Partition, in Pakistan for his fight for Pakhtoon rights.

Khan Abdul Ghaffar Khan was the third distinguished person to receive the Nehru Award. U Thant, UN Secretary-General, and Dr. Martin Luther King (posthumous) were the earlier recipients.

The Award carries an amount of Rs. 1,00,000 in cash convertible in foreign currency and a citation.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8791:INI:C]

IRAN

A. World Bank Aid For Private Industry: The World Bank announced on May 7 a loan of $40 million to the Industrial Mining and Development Bank of Iran (IMDBI) to help private industry in the country.

The loan would provide most of the foreign exchange IMDBI may need over the next one or two years for loans to a wide variety of industrial enterprises. The loan, guaranteed by the Government, would bear interest of 6-1/2 per cent. Repayment would conform approximately to repayments received by IMDBI on its own subloans from Bank funds, which would not extend for periods beyond 15 years.

In recent years, private industry had recorded a growth rate of 10 per cent.

IMDBI, a privately-owned institution, had become Iran's major source of long-term finance for private industry since its establishment 10 years ago. Almost all its foreign exchange resources had come from World Bank loans, now aggregating $105 million.

Since it began operations, IMDBI had approved loans and equity investments totalling $147 million (11 billion rials) for 271 industrial projects, which had included those for the manufacture of metal products, transport equipment, sugar, cement, food processing, wood and paper products, electrical goods, petroleum products and chemicals.

IMDBI had also taken a leading role in promoting new industries by feasibility studies, project preparation and finding foreign partners for its Iranian clients. In addition, it assisted in establishing the Tehran Stock Exchange.

Iranian economy had in recent years sustained rapid economic growth creating a favourable climate for private investment. As a result, IMDBI's volume of business had risen sharply, particularly in its 1968-69 fiscal year when it approved loans and investments totalling the equivalent of $51 million (3.8 billion rials), compared to $34 million in 1967-68.

Iran's Fourth Plan (1968-73) laid particular emphasis on rapid industrialization and IMDBI would play an important part in this development.

IMDBI had shown good profits and paid a dividend of 10 per cent for the 1967-68 fiscal year, compared with 8 per cent in 1966-67.

(**World Bank Press Release**)

[Prev. ref. 8111:IRN:A; 8324:IRN:A]

B. CENTO Ministerial Conference: The CENTO Ministerial Council held a two-day session in Tehran on May 26 and 27.

A **communique** issued later said that Kashmir was one of the subjects discussed.

The other subjects discussed included the Arab-Israeli conflict, the Viet-Nam problem, the Greece-Turkey dispute over Cyprus and Iran's row with neighbouring Iraq over navigation rights in the Shatt-el-Arab waterway.

The **communique** said: "The Council expressed the hope that present tension would ease and that the causes thereof would be resolved in a peaceful and satisfactory manner in keeping with the principles of international law, equity and justice.

"Ministers from the United States, Britain, Pakistan, Turkey and Iran reviewed international developments in a broad exchange of views marked by cordiality and understanding."

Iran's Foreign Minister, Mr. Ardeshir Zahedi, noted that his country had been able to "normalize" its relations with the Soviet Union and he urged a broadening of CENTO's mandate.

He warned that the instability of the Leftist **regime** in Iraq constituted a serious threat to the peace of the oil-rich Persian Gulf.

(**The Times,** London and **The New York Times**)

[Prev. ref. 8489:AOA:I]

IRAQ

A. Plot To Overthrow Government Smashed—US Charged: An official spokesman made the charge in an interview with the Baghdad correspondent of the official Syrian news agency on May 22 that the American CIA had plotted the overthrow of the Iraqi Government.

He said: "The Iraqi Government has smashed a new espionage and political sabotage ring operated by the CIA in Iraq."

He alleged that former army Brig. Midhat el Haj Sirri was "the active leader" of the alleged plot.

Brig. Sirri, a former Mayor of Baghdad, had attempted suicide in prison immediately after his arrest a week earlier.

The Government had earlier announced on May 19 that it had smashed a plot to overthrow President Ahmed Hassan el Bakr.

(Baghdad Radio)

[Prev. ref. 8496:IRQ:A]

JAPAN

A. Increase In Exchange Reserves: *Foreign exchange reserves which had hovered around the $2 billion mark since 1965, topped $3 billion to a total of $3,005 million by the end of February.*

Japan's GNP also advanced to second place after USA among countries with free enterprise economy.

A major cause of the rapid reserve-increase, which was achieved in the brief period from July, 1968 when the reserves stood at the $2,072 million mark, was the growing competitive power of the nation's exports. Favourable economic conditions in USA boosted exports to score a surplus of $2,500 million in the trade account last year—a two-fold increase over the previous period. A brisk inflow of foreign capital, reflecting increases in impact loans, flotation of foreign bonds and foreign investment in Japanese securities, also contributed to the growth of currency reserves.

With the present economic boom, the nation's foreign exchange reserves were expected to increase further to reach the $3.5 billion mark by the end of June.

The unexpected rapidity of these increases led to a belief that the trend may be a temporary one. However, Government opinion was that the increases were soundly based on improved economic conditions, such as stabilization of export prices, growth in overseas sales of heavy and chemical industrial products, and a general strengthening of the economy during the 1960's.

However, Fuji Bank economists pointed out that the present ratio of reserves to imports ($12,989 million for 1968, customs clearance basis) was still low compared to other advanced nations. Therefore, a minimum level of $3,000 million should be maintained to cope with economic fluctuations overseas and to bolster international competitive power.

(The Statesman, Calcutta)

[Prev. ref. 8697:JAP:E]

KUWAIT

A. Indian Ocean Region Satellite Services Conference: About 30 countries, including India, were represented at the opening of a conference on communications satellite services in the Indian Ocean region on May 17.

The other countries were: Bahrain, Britain, Indonesia, Japan, Lebanon, Pakistan, USA and West Germany.

The conference discussed technical aspects of establishing a global communications satellite system.

A ground station for satellite signals, constructed by Japan's Nippon Electric Company, was completed in Kuwait in July, 1968.

The Director of the International Tele-communication Satellite Consortium (INTELSAT), Mr. W.H. Wood, said that the five initial participants in the system were: Kuwait, Britain, Japan, Bahrain and Indonesia. Others to join this year were Australia, Thailand, India, Italy and West Germany.

The opening of the conference, held under the auspices of INTELSAT, coincided with International Tele-communications Day.

(The Hindu, Madras and **The Times,** London)

[Prev. ref. 7860:INI:I, 8375:INI:P]

LEBANON

A. Syrian Ba'athist Members Expelled: The Lebanon expelled about 200 members of the Syrian Ba'ath Party on May 5 on the ground that they took part in the riots which sparked off the Government crisis on April 23 and 24.

(The Times, London)

[Prev. ref. 7074:LEB:B, 8867:LEB:A]

NEPAL

A. Mr. K. Bisht On Relations With India: In an informal talk at a dinner given to delegates attending the Indian Travel Convention in Khatmandu on May 18, the Prime Minister, Mr. Kirtinidhi Bisht said that recognition of Nepal's national aspirations was not forthcoming in an adequate measure from India. This was so even as he admitted the basic soundness of relations between the two countries.

He spoke of the inadequacy of transit facilities given to his country to carry on trade with the rest of the world and the Susta controversy as the most long-standing irritants dogging Nepal's relations with India. Somehow India, he added, did not seem to understand Nepal's desire to expand her channels of trade with other countries, particularly Pakistan. The existing transit facilities were inadequate and, as the pace of Nepal's development gained momentum, he feared his country would face serious difficulties on this score.

He was of the view that India had missed an opportunity of solving the Susta dispute "without undue controversy". As Foreign Minister, he had approached the Government of India long ago with the plea that the missing boundary pillars be replaced quickly without allowing a controversy to develop. "But the response came too late". By then, certain elements in India had made an issue of it. He, however, agreed that the dispute was not of a political nature, it was essentially a matter for the experts of the two countries.

He wanted everyone, including India, to recognize the fact that Nepal had "a right to go its own way"; her foreign policy was guided by her own needs and her own genius. As a small country sandwiched between two mutually hostile giants, it was his country's desire to have good relations with both. As for relations with India, these were traditional and lasting.

He made it clear that Nepal did not want to develop relations with China at the cost of India. "Naturally, we want to have the friendliest of relations with China, but this will not be at the cost of our relations with India."

He did not share Indian apprehensions about Chinese intentions in building the Kodari Road linking Khatmandu with Tibet. He brushed aside suggestions that the Chinese virtually controlled the road. If everyone was not allowed to proceed beyond a certain point on the road, it was because "the road is not yet complete."

His assertion contradicted the general belief in Khatmandu that the road was practically complete and in actual use. Indeed, according to these reports, the Chinese observed strict control over the road. Mr. Bisht re-iterated that the road would be thrown open to all when his attention was drawn to the apparent conflict between restrictions on the movement of Indians on this road and Treaty obligations which guarantee free movement to citizens of one country in the other.

(**The Statesman,** New Delhi)

[Prev. ref. 8717:NEP:A & B, 8957: NEP:B]

B. Trade And Consular Relations With North Korea Established: The Government announced in Khatmandu on May 20 its decision to establish trade and consular relations with North Korea.

The Government's decision to allow North Korea to establish a trade and consular office in Khatmandu followed a visit recently by that country's Consul-General in New Delhi.

However, within hours of this decision, a South Korean delegation headed by the country's Consul-General in New Delhi arrived in the Capital on May 21.

Mr. Woon Sang Choy, the South Korean Consul-General in New Delhi, sought an interview with Foreign Ministry officials shortly after his arrival to press for extension of trade and consular facilities to his country.

A factor that should go in favour of the South Koreans is the deterioration in China's relations with North Korea. Normally the Nepalese Government may not have been inclined to provoke a possible diplomatic clash with Peking.

Peking's relations with North Korea have not been very cordial since February 1, 1967, when the Premier, Mr. Kim Il Sung was accused by China of ingratitude. In June the same year, China refused to join in the Korean War anniversary celebrations. The North Koreans retaliated by taking action where it hurt the Chinese most: it practically banished Mao's Thought and his works from the country.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 7649:CHI:B, 8711:NEP:A]

PAKISTAN

A. Annual Plan Targets: Pakistan's Annual Development Plan approved by the National Economic Council on May 7 for next year envisages a growth rate of 6.5 per cent as against the current year's estimated growth rate of 6 per cent.

The Council, which met under the chairmanship of Presiden Yahya Khan in Rawalpindi, set the target for East Pakistan at 7 per cent and that for the West Wing at 6 per cent.

An official spokesman told newsmen after the meeting that the target for wheat had been set at 70,00,000 tons as against this year's 65,00,000 to 68,00,000 tons. The target for rice output in East Pakistan was set at 1.23 crore tons as against this year's 1.09 crore tons. The production of cotton in West Pakistan was put at 32,00,000 bales and output of jute in East Pakistan at 70,00,000 tons.

Radio Pakistan said that the Plan envisaged a growth rate of 10 per cent in the overall manufacturing industries and a 12 per cent growth rate for large-scale industries. The target for export earnings was set at Rs. 450 crores as against the current year's target of Rs. 415 crores.

The spokesman hoped that the general price index would register a downward trend with the fall in the price of wheat.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8720:PAK:B]

B. Rise In Productivity: Radio Pakistan reported on May 6 that the country's gross national product for 1967-68 had registered an increase of 8.3 per cent, compared to a rise of 5 per cent in the preceding year.

Quoting the annual report of the State Bank of Pakistan, it said that industrial production in 1967-68 was estimated to have increased by 10 per cent as against 10.5 per cent in the preceding year.

The export earnings also recorded a further rise during the year.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8721:PAK:F]

C. Eighty "Enemy" Firms Taken Over: According to a notice in the **Gazette** of Pakistan on May 2, the West Pakistan Enemy Property Management Board had taken over 80 enemy firms in Karachi.

All assets and belongings, movable and immovable, of these firms, including those held in the Karachi Cotton Association, would now vest in the Additional Custodian of Enemy Property in West Pakistan.

The West Pakistan Enemy Property Management Board had also taken over three industrial and three other concerns which had been declared enemy concerns, and vested their assets in the Additional Custodian of Enemy Property for West Pakistan. These were the Lyallpur Cotton Mills, Ltd., Lyallpur; the Okara Flour and General Mills Ltd., Okara; the Sutlej Cotton Mills Ltd., Okara; the Associated Hotels of Pakistan Ltd., Lahore; the Indian Airlines Corporation; and Air-India International.

A separate notification in the **Gazette** added that the Chairman of WPIDC, Karachi, the Managing Director, Pakistan International Airlines Corporation, Karachi, and the Quartermaster General, Government of Pakistan, Ministry of Defence, Rawalpindi, had been authorized to take such measures as may be expedient for preserving the enemy properties vested in the Additional Custodian of Enemy Property of West Pakistan, subject to overall control and authority of the Additional Custodian.

(**The Times of India,** New Delhi)

[Prev. ref. 8701:PAK:D]

D. Iraq's Support On Kashmir Issue Denied: A **communique** issued in Rawalpindi on May 16 at the end of a three-day official visit by the Iranian Premier, Mr. A. A. Hoveida, said that Indo-Pakistani relations were "stalemated" because India had refused to settle the Kashmir question.

It said that Mr. Hoveida had expressed the hope that Pakistan's efforts for a "just and peaceful settlement of Indo-Pakistani disputes will be successful and lead to good relations between the two neighbours."

The **communique** quoted the Iranian Prime Minister as saying that his country backed the right of self-determination of the people of Kashmir "in accordance with UN resolutions."

But, on May 23, the Iranian Government denied that Mr. Hoveida had stated during his recent visit to Pakistan that his country would support Pakistan "in any conflict."

Mr. Hoveida and the Iranian Foreign Office expressed surprise when their attention was drawn by the Indian Ambassador in Tehran to Pakistani Press reports of Mr

Hoveida's alleged statement. They categorically stated that no such statement had been made.

They also explained that Iran's position with regard to Indo-Pakistan disputes were stated in the **communique** at the time of the Shah of Iran's visit to India. There had been no change in Tehran's position since then.

(**The Statesman**, Calcutta and New Delhi)

[Prev. ref. 8764:INI:A]

E. Official Appointments: The Martial Law Administration appointed on May 6 Mr. A. M. S. Ahmed, Managing Director of the Television Corporation, as officiating Secretary for Home and Kashmir Affairs.

He succeeded Mr. A. B. Awan, who was compulsorily retired on *April 26*.

Mr. Ahmed's appointment was among more than a dozen postings and transfers announced in Rawalpindi involving the shifting of senior officers from East Pakistan to the Central Government.

The Chief Secretary of East Pakistan, Mr. Ali Asghar, would be the *new Chairman of the Central Public Service Commission. The vacancy was caused by the compulsory retirement of Mr. Nazir Ahmed.*

(**Radio Pakistan**)

[Prev. ref. 8926:PAK:A]

F. Expansion Of Sui Gas System: The natural gas pipe-line system in the northern part of West Pakistan is proposed to be so expanded as to assure supply of 30 million cubic feet of gas daily, to be used mainly as raw material for the Dawood Hercules urea fertilizer plant now under construction near Lahore.

The use of natural gas production of fertilizer is an important element in the Government's plans for agricultural development both to increase productivity and to save foreign exchange now spent for fertilizer imports.

The World Bank announced on May 7 a loan of $8 million to help the expansion scheme which will cost a total of $18 million.

The loan will be made to the Sui Northern Gas Pipelines for a term of 20 years, including a three-year grace period, with interest at 6½ per cent. It will be guaranteed by the Government.

[Natural gas constitutes by far the most significant known mineral fuel reserves of West Pakistan. One of the largest fields is Sui which is the main source of supply for two pipeline systems —one serving the southern region, including Hyderabad and Karachi, operated by the Sui Gas Transmission Company, and the other serving the north, including Multan, Lyallpur, Lahore and Rawalpindi, operated by the Sui Northern Gas Pipelines Limited. Earlier World Bank loans had been made to both companies for the construction of their pipelines.]

With the assistance of the Bank loan, Sui Northern Gas Pipelines (SNGPL) will increase the capacity of its system from 172 to 207 million cubic feet per day. Provision has also been made for completing the automation of the pipeline system and for a modest expansion of the existing distribution system to serve small industry and household requirements in certain urban areas. The works include the installation of high-pressure transmission pipelines and compressor units, the construction of a new compressor station, and additional low-pressure distribution facilities.

[SNGPL, a limited liability company, is owned one-third each *by the West Pakistan Industrial* Development Corporation, the Burmah Oil Company and individual Pakistani shareholders. Its pipeline system extends over 600 miles from the Sui and the Dhulian oil fields to the north. Most of its sales are to large industrial consumers and to the West Pakistan Water and Power Development Authority for the generation of electric power. The Dawood Hercules plant will be the second fertilizer plant to which it will deliver gas and is expected to account for 20 per cent of the Company's projected sales when the plant is in operation.]

(**World Bank Press Release**)

[Prev. ref. 8701:PAK:C, 8975:PAK:A]

G. F-M. Ayub Khan Asked To Render Account Of Muslim League Funds: The former President, F-M. Ayub Khan, who is also President of the Muslim League Party, was on May 19 asked "to render an account of partv funds" by a prominent leader of the party from East Pakistan, Mr. Wahiduz Zaman.

In a letter to the party chief, Mr. Zaman also asked F-M. Ayub Khan to give a public statement about money collected in the name of the party for his election as President in 1965 and later. He also demanded that F-M. Ayub Khan should explain how these funds were collected for the party and how they were spent, because the "party never authorized him party funds without consulting its executive committee."

Mr. Zaman alleged that F-M. Ayub Khan, during his Presidency of the party, "never gave any account of funds to either the executive committee or the convention of delegates and acted in an arbitrary manner."

F-M. Ayub Khan was given a week by court order to show why he should not be removed from the Presidency of his former ruling Muslim League Party.

The court also ordered 48 others, including the World Bank Vice-President, Mr. Mohammed Shoaib, a former Finance Minister, to show cause why F-M. Ayub Khan should not be removed.

(**The Statesman**, New Delhi)

[Prev. ref. 8892:PAK:A]

H. Rise In Wages Of Low-paid Workers: The West Pakistan Provincial Government issued a directive to employees on May 5 calling on them to up-grade the wages of low-paid workers to a specified minimum.

The Government said that it was basing the directive on increases already given to its own employees. Workers getting Rs. 100 per month should immediately get a 20 per cent increase.

It also directed that workers getting between Rs. 100 and Rs. 200 should received 15 per cent increase and those between Rs. 200 and Rs. 500 should get a 10 per cent raise.

The Directive was in line with the policy of President Yahya Khan's Government to give a better deal to the low-paid workers who suffered most under the 10-year re**gime** of former President Ayub Khan.

(**Radio Pakistan**)

[Prev. ref. 8926:PAK:A]

I. Sheikh Mujibur Rehman Acquitted: On May 7, the East Pakistan leader. Sheikh Mujibur Rehman, was acquitted of charges brought against him during President Ayub Khan's **regime.**

Sheikh Mujibur Rehman had been charged under the Defence of Pakistan Rules for making an allegedly "prejudicial" speech on March 20, 1966. The speech in question outlined a six-point programme for East Pakistan's autonomy.

The High Court examining the case came to the conclusion that "in its entirety" the speech was "not prejudicial."

(**The Statesman**, Calcutta)

[Prev. ref. 8845:PAK:A]

THAILAND

A. **Mr. T. Khoman On Chinese Moves:** The Foreign Minister, Mr. Thanat Khoman, alleged on May 8 that Chinese forces had moved into northern parts of Laos and Burma. They had **de facto** control over the Phong Saly province of Laos and "construction battalions" in the Kachin State of Burma.

According to him, the Laotian province of Sam Neua, on the border with North Viet-Nam, had been similarly occupied by Hanoi's forces.

He said that these developments in South-East Asia, after Peking's re-affirmation of support for so-called wars of national liberation, indicated Asian communist plans and moves for the future. Strategic roads were being built in northern parts of Burma and Laos for the expansion of the communists southwards.

Hill tribes in Phong Saly and Sam Neua had been forced to leave for southern areas and communist hill tribes had moved in to replace them. North Viet-Namese forces were now in virtual control of the Ho Chi-Minh Trail, running down eastern Laos and the vicinity, leaving the Laotian Government in control of populated centres. But the Government-controlled areas of Laos were also more or less encircled by the communists.

[Air Chief Marshal Dawee Chulasaphya, Chief of Staff of the Thai armed forces and Minister of Communications, also said in a Press interview that the Chinese had filled Phong Saly and Kachin with civilians and troops. He added that the Thai Government was studying measures to increase defence arrangements in areas close to the Burmese and Laotian borders.]

S-EATO's Role:

Mr. Thanat, in an interview published in the **Bangkok Post** the same day (May 8), said that the South-East Asia Treaty Organization (S-EATO) should change its emphasis from a military to a political role if it was to be saved from impotence.

S-EATO, which was due to hold its 14th annual council meeting in Bangkok later in May, should be able to take political and diplomatic steps for the preservation of peace and stability in the region.

He expressed keen disappointment over the military role so far played by the pact. "The military capability of S-EATO is a fiction," he declared. "S-EATO has no military structure, only a military frame-work. It has no combined forces like NATO. There has been no instance of collective defence action, there has only been individual action by individual members."

Mr. Thanat's statement came amid speculation that some members would propose a drastic re-organization of the pact during the meeting of the Council.

Mr. Thanat noted that "two to three members" of S-EATO had ceased to take part in its military activities. He did not name them, but he was believed to be referring to Britain, France and Pakistan. He indicated that he would submit his proposal for a change in emphasis of S-EATO's role to the council meeting.

(**The Times**, London)

[Prev. ref. 7769:AOA:B]

B. **Rice Agreement With India:** India signed an Agreement with Thailand on May 2 to buy 75,000 tons of 15 per cent parboiled rice on a Government-to-Government basis.

The rice would be delivered in monthly shipments of 20,000 tons and the first loading was to take place in the middle of May. The price was not disclosed.

(**The Times**, London)

[Prev. ref. 8392:INI:G]

VIET-NAM (RVN)

A. **Mr. R. Nixon's Eight-Point Peace Plan:** In his first major address on Viet-Nam since taking office in January, President R. Nixon of the United States, on May 14, proposed an eight-point plan which provided for internationally supervised elections in South Viet-Nam following a staged, verified withdrawal of all foreign forces from the country.

The address from the White House was carried "live" by the three American national television networks and the nine national radio links. But, Mr. Nixon hoped that the "new initiatives" he proposed would enable his countrymen to look back on his speech "as that critical turning point" which moved the world towards peace.

He said: "'The United States has suffered over a million casualties in four wars in this century. Whatever faults we may have as a nation, we have asked nothing for ourselves in return for those sacrifices... We are proud of this record and we bring the same attitude in our search for a settlement in Viet-Nam.

"In this spirit, let me be explicit about several points:

"We seek no bases in Viet-Nam.

"We insist on no military ties.

"We are willing to agree to neutrality for South Viet-Nam if that is what the South Viet-Namese people freely choose.

"We believe that there should be an opportunity for full participation in the political life of South Viet-Nam by all political elements that are prepared to do so without the use of force or intimidation.

"We are prepared to accept any government in South Viet-Nam that results from the free choice of the South Viet-Namese people themselves.

"We have no intention of imposing any form of government upon the people of South Viet-Nam, nor will we be a party to such coercion.

"We have no objection to re-unification if that turns out to be what the people of South Viet-Nam and the people of North Viet-Nam want....

"To implement these principles, I re-affirm now our willingness to withdraw our forces on a specified time-table. We ask only that North Viet-Nam withdraw its forces from South Viet-Nam, Cambodia and Laos into North Viet-Nam also in accordance with a time-table. We include Cambodia and Laos to ensure that (they) would not be used as bases for a renewed war....

"To make very concrete what I have said, I propose the following specific measures which seem to me consistent with the principles of all parties:

"(1) As soon as agreement can be reached, all non-South Viet-Namese forces would begin withdrawals from South Viet-Nam. Over a period of 12 months, by agreed-upon stages, the major portions of all United States, allied and other non-South Viet-Namese forces would be withdrawn.

"(2) At the end of this 12-month period, the remaining United States, allied and other non-South Viet-Namese forces would move into designated base areas and would not engage in combat operations.

"(3) The remaining US and allied forces would complete their withdrawals as the remaining North Viet-Namese forces were withdrawn and return to North Viet-Nam.

"(4) An international supervisory body, acceptable to both sides, would be created for the purpose of verifying withdrawals, and for any other purpose agreed upon between the two sides.

"(5) This international body would begin operating in accordance with an agreed time-table and would participate in arranging a supervised cease-fire in Viet-Nam.

"(6) As soon as possible after the international body was functioning, elections would be held under agreed procedures and under (its) supervision.

"(7) Arrangements would be made for the release of prisoners of war on both sides at the earliest possible time.

"(8) All parties would agree to observe the Geneva Accords of 1954 regarding South Viet-Nam and Cambodia and the Laos Accords of 1962."

NLF Reaction:

In its first official comment on the proposals made by Mr. Nixon the National Liberation Front (NLF), the political wing of the Viet-Cong, in a statement issued in Paris said: "Faced with the just character of the overall 10-point solution advanced by the South Viet-Nam National Liberation Front, which appeals both to the heart and to reason, and faced with the favourable public reaction to that solution, President Nixon pretended to show goodwill by making his statement of May 14.

"In fact, the United States will cling to its old, unjust and unreasonable proposal for mutual withdrawal of troops, placing on the same footing the aggressor and those who resist aggression, a proposal which we have already rejected many times".

In Saigon, President Nguyen Van Thieu of South Viet-Nam issued a statement endorsing the US eight-point plan.

"Resume" Of Developments Since Paris Deadlock:

Meanwhile, the following is a **resume** of developments since the Paris peace talks were deadlocked (see pages 8531 and 8656):

At the 22nd session of the Paris peace talks on September 18, 1968, Mr. Cyrus Vance, deputizing for the chief American delegate, Mr. Averell Harriman, rejected North Viet-Nam's call for US negotiations with NLF as South Viet-Nam's legitimate representatives. The same day, North Viet-Nam's chief negotiator, Mr. Xuan Thuy, rejected US proposals to re-establish the demilitarized zone as a step toward peace.

On October 24, 1968, President L. B. Johnson of the United States said there was still no break-through in the Paris negotiations, but made it clear that the new peace effort was still very much alive. In Paris the same day, the spokesman for the North Viet-Namese delegation, Mr. Nguyen Thanh Le, said a US end to bombings would mean "something new immediately." Two days earlier (October 22), at the end of several rounds of meetings with the American Ambassador, Mr. Ellsworth Bunker, President Thieu said he would not oppose "conditional halt to bombing of North Viet-Nam."

A **communique** issued by Mr. Xuan Thuy in Paris on November 1, 1968 said that Mr. Harriman had told him on October 30 of President Johnson's intention to order a halt to all military attacks on North Viet-Nam. He added that a meeting of North Viet-Namese, South Viet-Namese, American and NLF representatives would be held in Paris not earlier than November 6. In his offer to halt all bombings, President Johnson said USA expected "prompt, productive, serious and intensive negotiations."

On November 4, a delegation of NLF, headed by Mrs. Nguyen Thi Binh, arrived in Paris to take part in the peace talks. The previous day (November 3), President Ho Chi-minh of North Viet-Nam said in a broadcast that North Viet-Nam's ending of a "war of destruction" was only an "initial victory" and called on the Viet-Cong to continue their offensive "unremittingly."

For several days the South Viet-Namese Government went on refusing to sit with NLF around the conference table in Paris. At last, on November 26 it was announced that the South Viet-Namese Government would attend the Paris talks. The announcement, which came after considerable American pressure, added that South Viet-Nam would take the lead and be the main spokesman on all matters "which are of principal concern" to it while, as far as the US side was concerned, the talks would not be four-sided but would comprise only two delegations. However, on November 27, the NLF spokesman, Mr. Dung Dinh Thao, said in Paris that his side would attend the talks as "an equal partner in and challenge the Saigon Government's claim to be the South's legal spokesman."

The same day (November 27, 1968), President Thieu named Vice-President Nguyen Cao Ky as the overall co-ordinator at the Paris talks without actually sitting in on sessions.

Air Vice-Marshal Ky and a five-man delegation left Saigon for Paris on December 7, 1968. The delegation consisted of Mr. Nguyen Thi Vu, Mr. Vuong Van Bac, Mr. Nguyen Xuan Phong, Mr. Nguyen Ngoc Huy, and Mr. Nguyen Trieu Dan of the Prime Minister's office. The delegation was to be led at the conference by Mr. Pham Dang Lam, South Viet-Nam's, chief observer at the preliminary Paris talks.

On December 11, 1968, NLF announced nomination of Mr. Tran Buu Kiem, member of the party's Central Committee and head of its Foreign Relations Commission, as head of its eight-man delegation to the Paris talks.

In a New Year message addressed to "American friends who oppose the US imperialist war of aggression in Viet-Nam," President Ho Chi-minh of North Viet-Nam said the only honourable solution to the war was that USA shoud withdraw all its troops and those of its allies and let South Viet-Namese settle their own affairs without foreign interference and in accordance with the NLF political programme.

Following the elections in USA, changes were announced in the American delegation. On January 5, 1969 President-elect Nixon designated the US Ambassador to West Germany, Mr. Henry Cabot Lodge, to replace Mr. Harriman on January 20 as delegation chief with the Attorney-General, Mr. Lawrence Walsh, succeeding Mr. Cyrus Vance as deputy. The enlarged Paris talks could not begin till then as the parties could not agree to the size of the table and seating arrangements.

A break-through in the stalemate came on January 16 when agreement was reached on the opening of the enlarged peace talks. North Viet-Nam's chief spokesman, Mr. Le, described the talks as a "round table peace conference" with four sides sitting where they chose as independent equals.

At the first session of the enlarged peace conference on January 25, North Viet-Namese and NLF delegates demanded US withdrawal, suspension of the Saigon Government and formation of a "peace cabinet" to represent Saigon in the talks. Mr. Lodge proposed immediate re-establishment of the demilitarized zone as the first step in mutual withdrawal of foreign troops from South Viet-Nam. At the end of two sessions, both sides reported "no progress."

At the third session Mr. Kiem, chief NLF negotiator, demanded the removal of the Saigon Government as a first step towards peace. Mr. Thuy of North Viet-Nam insisted that political and military matters were inseparable.

Mr. Lodge called for withdrawal of all external military forces to give South Viet-Namese room for political self-determination. Mr. Pham Dang Lam of South Viet-Nam supported Mr. Lodge's demand that the demilitarized zone be restored.

Meanwhile, the Saigon Government and the Viet-Cong agreed to a cease-fire during Tet (lunar new year), but immediately afterwards the Viet-Cong mounted attacks inflicting heavy casualties on the American side. An announcement by the US Command in South Viet-Nam said on February 27 that the latest casualties had pushed towards the 10,000 mark the number of Americans killed since the Paris talks began in May, 1968.

The talks were adjourned on March 6 after four hours (the shortest since the beginning of the enlarged session), when the South Viet-Namese delegation claimed that the Viet-Cong attacks were not conducive to a "proper atmosphere." Leaving Paris for Saigon, Air Vice-Marshal Ky said he would have no reason to return should the attacks continue. In the meantime, the US Defence Secretary, Mr. Melvin Laird, arrived in Saigon for a one-week on-the-spot assessment. He said USA might have to increase its war budget to strengthen South Viet-Namese forces.

On March 13 in Paris, Mr. Kiem said the current Viet-Cong offensive—then in its third week—would continue without let-up and warned USA against any adventurous act under the pretext of "appropriate response."

Six days later, in Washington, Mr. Laird told the Senate Armed Services Committee that USA planned to call for more funds to help South Viet-Nam modernize its armed forces in readiness for US withdrawal, but expressed belief that there would be no reduction until all North Viet-Namese troops had been withdrawn. On March 30, in a copyrighted interview with the **US World and News Report,** Mr. Laird expressed support for a coalition government in South Viet-Nam resulting from a free and independent election.

The North Viet-Nam News Agency said on April 28 that an American unmanned reconnaissance plane had been shot down by North Viet-Namese Ground Forces. It claimed that this had brought to 3,281 the total US aircraft shot down over the North.

Earlier, on April 27, the South Viet-Namese Government sent a protest Note to the International Truce Supervisory Commission condemning terrorist acts by North Viet-Nam resulting in the deaths of 653 civilians in March.

NLF's 10-Point Plan:

The peace talks in Paris suddenly came to life on May 8 when, for the first time since the opening of the four-party talks in January, Mr. Tran Buu Kiem, the NLF delegate, produced a detailed plan for ending the war which appeared to make important concessions to the American and South Viet-Namese points of view.

However, the first reactions to Mr. Kiem's 10-point peace plan were negative. Mr. Nguyen Xuan Phong, the South Viet-Namese delegate, said the plan contained nothing new, while Mr. Lodge insisted on the principle of "mutual withdrawal" of United States and North Viet-Namese troops, which was not included in the plan.

Mr. Kiem's 10 points were as follows:

(1) Restoration of Viet-Namese people's "fundamental national rights" as recognized by the 1954 Agreements.

(2) Withdrawal "without posing any condition whatsoever" of American and allied troops and weapons.

(3) "The question of the Viet-Namese armed forces in South Viet-Nam shall be resolved by the Viet-Namese parties among themselves."

(4) The holding of "free and democratic general elections" in South Viet-Nam for a new Constitution, and a coalition government "reflecting national concord and the broad union of all social strata."

(5) "During the period intervening between the restoration of peace and the holding of general elections, neither party shall impose its political **regime** on the people of South Viet-Nam.

"The political forces representing the various social strata and political tendencies in South Viet-Nam that stand for peace, independence and neutrality, including those persons who, for political reasons, have to live abroad, will enter into talks to set up a provisional coalition government based on the principle of equality, democracy and mutual respect with a view to achieving a peaceful, independent, democratic and neutral South Viet-Nam."

(6) "South Viet-Nam will carry out a foreign policy of peace and neutrality." This would include "diplomatic, economic and cultural relations with all countries, irrespective of political and social **regime,** including the United States", and acceptance of economic and technical aid "with no political conditions attached from any country".

(7) "The re-unification of Viet-Nam will be achieved step by step, by peaceful means, through discussions and agreement between the two zones, without foreign interference." In the meantime, the two zones would "reach agreement on the statute of the demilitarized zone, and work out modalities for movements across the provisional military demarcation line.

(8) Both zones would observe the clauses in the 1954 Agreements restraining them from joining military alliances, allowing foreign troops or bases on their soil, or recognizing the protection of any country, alliance or bloc.

(9) There should be negotiations on the release of prisoners of war (the Americans have persistently demanded this), but the United States Government must "bear full responsibility for the losses and devastations it has caused to the Viet-Namese people in both zones"' i.e. it must pay reparations.

(10) Withrawal of American and allied troops should take place under international supervision agreed between the parties.

Western diplomatic observers were inclined to see the plan as involving a change in the presentation of the NLF's position, rather than in the position itself. The plan still called for unconditional American withdrawal, and Mr. Kiem in his speech again demanded that USA "cease maintaining the present warlike, corrupt puppet administration in South Viet-Nam."

He likewise affirmed the Front's support for "the struggle of the urban population in South Viet-Nam for the replacement of Thieu-Ky-Huong", thus evidently distinguishing those Saigon leaders from the "persons of goodwill who stand for peace, independence and neutrality", with whom the Front was ready to **talk.**

Saigon Government's Reaction:

A Government **communique** issued in Saigon on May 9 said that South Viet-Nam was ready to discuss the NLF's 10-point plan.

The **communique** said that the proposals by the Front resembled the proposals put forward by Saigon on certain points. It added: "Discussions of these problems could be started now at the Paris peace talks or following procedures that the South Viet-Namese Government has suggested.

"These procedures would also offer an appropriate opportunity for the discussion of other basic problems. In this way, more rapid progress could be made towards an overall solution to the present conflict."

But, the **communique** said that "on several essential points the Communist position, which continues to be based on the five-point programme of the so-called National Liberation Front and Hanoi's four-point programme, has changed very little."

It made it clear that "their insistence on a provisional coalition Government was not acceptable to Saigon."

Fresh Attacks By Viet-Cong:

On May 12, Viet-Cong troops struck throughout South Viet-Nam with the highest number of attacks since the devastating Tet offensive of 1968.

However, the intensity and severity of the latest attacks were far below the level of those in 1968 which left the nation paralyzed for weeks.

In most of the 159 attacks reported by the US Command, the Viet-Cong unleashed rockets and mortar shells, but there were at least half-a-dozen ground assaults which resulted in heavy fighting. While the majority of the targets were allied military positions, a Govrnment spokesman said that seven provincial capitals and 21 district towns came under fire.

(The New York Times, USIS, The Consulate-General of the Democratic Republic of Viet-Nam, New Delhi and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8531:RVN:A, 8656:RVN:A, 8830:RVN:A]

B. **Economic Reconstruction Plan:** According to a despatch from Saigon carried by **The New York Times** on May 12, a joint team of American and South Viet-Namese economists and consultants, in a report submitted to President Nguyen Van Thieu, has concluded that South Viet-Nam can achieve economic self-sufficiency within a decade with the assistance of $2.5 billion in foreign aid.

The amount is equivalent to the current monthly cost of the American war effort in Viet-Nam.

The team, including Mr. David E. Lilienthal, formerly of the Tennessee Valley Authority, the Minister of State, Mr. Vuoe Thuc, and several other specialists submitted the report recently to the President (see page 8532).

The report suggested that South Viet-Nam's foreign assistance needs could be met by an international consortium. The authors recommended that an informal international conference be held, with the participation of several Asian nations, under the sponsorship of the Asian Development Bank. Specifically, they suggested that Japan and Formosa participate, since both countries had made a profit from war trade.

As a basic policy for the post-war period, the planners recommended an open free-enterprise economy financed largely by private investment, rather than a centrally directed system. This recommendation was based on the assumption that the ultimate peace settlement would result in a non-Communist **regime** in Saigon. The report did not consider the complications that might arise if a coalition or Communist-dominated government came to power.

The planners outlined a programme designed to increase the **per capita** income of the country by one-third and the gross national product by 50 per cent over the next ten years.

Their principal recommendations included:

(1) Interest rates should be increased immediately to encourage savings and reduce the amount of cash in circulation. while the piaster should be devalued with a "once-and-for-all" adjustment that would restore its position in the foreign exchange market.

(2) The present system of taxation, which the planners described as "basically unproductive, inequitable and inefficient," should be totally revised.

(3) The armed forces, which planners acknowledge would have to be kept at roughly the current level for at least five years, should be engaged in economically productive activities, such as road-building, when they were not required for security operations.

(4) A central institute of planning and development should be established to replace the Directorate-General of Planning, which the report said had been ineffectual, and the National Planning Council, which it said had been denied "the necessary executive support to discharge its functions."

(5) Agricultural production, particularly rice, should be stimulated with an eye towards resuming exports by the 1980s. In this connexion, the planners argued that a too-zealously applied land reform programme would have an adverse effect on the production of certain crops—such as rubber—which could not be grown economically on a small scale.

(6) Industrial production should be expanded, with the highest priority placed on products to equip the agricultural sector. The planners forecast that capital investment of $759 million would be required over an eight-year period.

(7) The nation's infra-structure—its roads, communications, railroads and ports—should be repaired and expanded in a three-phase programme that would make maximum use of the existing military facilities and maintenance equipment. The planners calculated on the assumption that the vast majority of equipment brought into the country by the allied military would be turned over to the Government.

(8) A programme of population control should be instituted "The conclusion is inescapable," the report said, "that Viet-Nam must take effective measures to limit population growth or accept reduced standards of living."

(The New York Times)

[Prev. ref. 8822:AOA:G]

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CAMBODIA

A. Relations With USA: The Head of State, Prince Norodom Sihanouk, announced in Pnom Penh on April 16 that diplomatic relations would be resumed soon with the United States—beginning with an exchange of **Charge d'-Affaires**—following a US recognition of Cambodia's frontiers.

A subsequent US Government statement said: "The United States of America recognizes and respects the sovereignty, independence, neutrality and territorial integrity of the Kingdom of Cambodia within its present frontiers." However, observers pointed out that USA had not fully endorsed the Cambodian position on the frontiers.

[Cambodia broke diplomatic relations with the United States in 1965 on the ground that American troops had intruded into the country from South Viet-Nam. USA was accused of bombing Cambodian border villages.]

At a news conference on April 30, the Prince rejected a recent American statement on Cambodia's frontiers because, he said, reservations made by US spokesmen removed all value from the statement.

He said that recognition of Cambodia's frontiers by any other countries who had made similar reservations would also be rejected and relations with them broken immediately.

However, on May 1, the US Government re-affirmed its willingness to recognize Cambodia's present frontiers and declined to comment on Prince Norodom Sihanouk's claim that there were "reservations" in the US position.

A State Department spokesman, Mr. Robert J. McCloskey repeated that the US statement on Cambodia "speaks for itself. I have no comment and do not intend to make any comment."

Charges Made To UN:

On May 5, Cambodia protested to the UN Security Council against the violations of her territory on April 28 by one aircraft and two helicopters of the American-South Viet-Namese forces.

The protest was contained in a letter sent by Cambodia's representative to the UN, Mr. Outh Sambath.

The letter said when Cambodian ground fire shot down the helicopters, "several aircraft and helicopters intervened, again violating Cambodian air-space, to save the pilots and occupants of the machines, while ground units of American-South Viet-Namese forces strengthened their positions opposite the place in question."

The letter also denounced what it called "ignoble manoeuvres" by certain American newspapers and military men "seeking to present Cambodian positions and soldiers as foreign camps and troops on Cambodian territory to justify eventual aggression or raids against Cambodia."

(**The New York Times** and **The Times of India,** New Delhi)

[Prev. ref. 8751:CAM:A]

B. Recognition Of East Germany And NLF: Cambodia gave full recognition to East Germany on May 8. The Government also decided the same day (April 8) to confer Ambassadorial status on the South Viet-Nam National Liberation Front's representative.

East Germany was the first Socialist State to recognize Cambodia's border and had constantly asked to be treated on a par with the Federal Republic.

Prince Norodom Sihanouk told a news conference in Pnom Penh on May 11 that the existence of the Germanies was a fact that might last for some time and Cambodia had done no more than the Soviet Union, Rumania and Yugoslavia, which had given both the East and West German Embassies equal treatment.

He said the move was in no way aimed at West Germany, a country to which Cambodia was grateful for its generous aid. He hoped that Bonn would understand and treat him as it treated Yugoslav President Tito or Rumanian Head of State Nicolae Ceausescu. He would be extremely disappointed if it were otherwise.

(**The Hindu**, Madras and **The Indian Express**, New Delhi)

CEYLON

A. New Pension Scheme: A wide variety of self-employed people have started paying into a new-type pension scheme under which the contributor is not tied down to periodic premium payments. He pays what he can.

It enables, for instance, a farmer to make a big contribution after a particularly good harvest without being committed to a time for his next payment.

On the other hand, professional people like doctors and lawyers, and also probably private sector employees on fixed incomes, will make regular payments.

This "pensions for the people" scheme, inaugurated by the Prime Minister, Mr. Dudley Senanayake, is operated by the State-owned Ceylon Insurance Corporation in association with the People's Bank.

Pension units are purchasable in blocks of Rs. 500 or multiples of Rs. 500. The prospective pensioner knows in advance the number of such blocks he will have to purchase to assure him of a pension of so many rupees on retirement. The minimum pension under the scheme is Rs. 600 a year.

The pensioner may at any time purchase extra blocks of Rs. 500, thus correspondingly increasing his pension entitlement. But, if he failed to pay the premia needed to ensure minimum pension, the Corporation would exercise its right to terminate the contract at pension age, refunding contributions at not less than 90 per cent of their commuted value.

The normal retiring age is 55, but the prospective pensioner may nominate any later age, with a corresponding adjustment in the premium or amount of pension.

According to the Chairman of the Ceylon Insurance Corporation, Mr. G.V.S. De Silva, the pensions policies issued for every purchase of a Rs.

500 block would never lapse. Those unable to make lump sum payments of Rs. 500 would be able to open a pension scheme savings account at any branch of the People's Bank. The deposits would earn interest and when they totalled Rs. 500 the amount would be transferred to the Insurance Corporation or the issue of a national pension policy.

If a person was not able within three years to accumulate Rs. 500 in the special savings account, the amount would be conveyed into a normal savings account.

(**The Hindu,** Madras)

B. **Grant Of Indian Citizenship For "State-less" Persons:** The High Commission of India has granted Indian citizenship to about 37,500 "Stateless" persons of Indian origin, and the Government of Ceylon to about 450 persons under the Indo-Ceylon Agreement of 1964.

This information was given by Ceylonese and Indian officials at a seminar organized by the Ceylon Workers' Congress at Colombo on April 21 and 22.

[Under the Agreement, India has accepted responsibility for the grant of citizenship to 5,25,000 and Ceylon to 3,00,000 persons together with their natural increase.]

The seminar was organized to clarify the procedural aspects of grant of citizenship by India and Ceylon and repatriation of persons granted Indian citizenship over the agreed 15-year period.

Mr. P. A. Piyasekera, Deputy Controller of the Department of Immigration and Emigration, said that in the grant of Ceylon citizenship, preference would be given to spouses of Ceylon citizens by descent and registration, persons who had applied for Ceylon citizenship under the Indian and Pakistani (Residents) Citizenship Act 20 of 1949, persons born in Ceylon and persons whose family members were already citizens of Ceylon. Length of residence in Ceylon would also be a guiding factor in considering applications.

Mr. P. L. Sinal, First Secretary, Indian High Commission, said that 8,200 persons, granted Indian citizenship under the Agreement, had gone to India. They were apparently persons with their own resources and very few of them had asked for Government assistance.

Persons granted Indian citizenship can apply to the Government of Ceylon for a Residence Permit.

Mr. M. A. J. Wanigaratne, Deputy Controller of the Department of Immigration, said that the permits would be issued for one year. Extension would be granted if the requisite number of persons had left Ceylon during the previous year under the Agreement. If the permit was not extended, the person would be given adequate time to settle his affairs.

As against 37,500 persons granted Indian citizenship, notices had been sent to 20,000 persons inviting applications for Residence Permits.

(**The Hindu,** Madras)

[Prev. ref. 8559:CEY:C]

CHINA

A. **Border Dispute With Soviet Union—Willingness For Talks:** A Government statement issued by the official **Hsinhua** news agency on May 24 asserted that troops of the Soviet Union were continuing to fire into Chinese territory at the Ussuri River frontier between the two countries, but nevertheless expressed a willingness to enter into border negotiations.

The statement declared that "to this day" the firing, from light and heavy machine-guns and heavy artillery, had not ceased.

It also alleged that a Soviet representative had demanded negotiations and a Chinese withdrawal in return for a cease-fire.

The statement accused the Soviet Government of carrying out "provocations" in other sectors of the border. These were not defined, but persistent rumours have emanated from the Soviet Union of unrest along the area of the border where China's Sinkiang Province meets Soviet Kazakhstan.

However, while making these new accusations against the Soviet Government, the statement said the Chinese Government was "still ready to seek an over-all settlement of the Sino-Soviet boundary question through peaceful negotiations" and was "against resort to the use of force." It proposed that a date and place for a meeting be discussed and decided upon through diplomatic channels.

The statement came in response to a Soviet proposal on March 29 for wide-ranging border talks, which Moscow had followed up with another call for a meeting on April 12.

According to **Hsinhua,** on April 14 "the Chinese Government told the Soviet Government in explicit terms: we will give you a reply, please calm down a little and do not get excited."

Talks On Navigation:

Earlier, on May 23, replying to a Chinese proposal made two weeks earlier, the Soviet Union suggested June 18 as the starting date for talks by the Joint Navigation Commission of Frontier Rivers.

[The Commission, set up in the 1960s to deal with problems arising out of the use of the rivers that serve as the frontier in the Far East, held its last session in 1967. On April 28, the Russians sent a telegram to the Chinese proposing that the Commission meet again.]

The Soviet suggestion was seen by observers as a bid to negotiate differences over the river frontier that had reached a climax during the fighting on the Ussuri River island of Damansky, or Chen Pao to the Chinese.

The Soviet telegram proposed Khabarovsk, near the Amur River, as the site for the talks and blamed the Chinese for their failure to hold a meeting last year.

On May 11, the Chinese replied to the Russians, denying that they were responsible for the break-off of talks and proposing mid-June for their resumption. The Chinese accepted Khabarovsk as the site, but named it as "Po Li"—the Chinese name for the city.

Izvestia, the Soviet Government newspaper, printed the text of the telegram sent on May 23 by Mr. A. Smirnov, head of the Soviet side of the mixed Commission, to his counterpart, Mr. Chen Fa-ping. Mr. Smirnov said that the 1967 meeting, held in Harbin (China) had produced no results, because "the Chinese side tried to put on the agenda questions outside the competence of the Commission." He added: "The Chinese side did not show willingness to hold the meeting last year." This was a reference to Chinese efforts to pressure the Russians to admit that all the Soviet Far Eastern territory in principle rightly belongs to the Chinese.

(**The New York Times**)

[Prev. ref. 8969:CHI:A]

B. **Big Economic Progress Claimed:** The official Hsinhua news agency on May 11 reported a newspaper article in which the author claimed that big increases in both agricultural and industrial production had been made since 1949 when the People's Republic was established.

It said that in the 19 years which

had elapsed after the People's Republic was founded, industrial production had gone up more than a dozen times, while agricultural crops had risen several-fold. During this period, "earth-shaking changes" had been wrought in China's national economy. No output figures were, however, made public.

The claim about the country's economic progress was made in an article carried by the authoritative **People's Daily** acclaiming China as a country with neither internal nor external debts.

The author of the article was identified only as Tasi Cheng.

In expanding its industrial structure, it said, China had established such new branches of production as building of aircraft, motor vehicles and tractors and in the fields of electronics, petroleum and chemicals. An independent and fairly comprehensive modern industrial system was taking shape in the country. (Although the extent of industrial expansion claimed, namely, over a dozen times, sounds very impressive, it must be remembered that China had very few industries to speak of before the Communists took over.)

The article said that even when China had to take foreign loans during the early years of the Communist rule, only a limited amount of national bonds had been issued and a small amount of foreign loans taken.

It quoted Marshal Lin Piao, Mr. Mao's designated successor, as telling the recent Ninth Congress of the Chinese Communist Party that by the end of 1968 the Government had redeemed all national bonds. China was reported to have repaid debts to the Soviet Union about five years ago.

The income from State-owned enterprises made up more than 90 per cent of the country's total financial income.

The article added that China had made new studies in industrial production by setting up new branches of industry for building aircraft, motor vehicles and tractors and in the fields of electronics, petroleum and chemicals.

The article compared China with India, USA, the Soviet Union and Mongolia, which it said were heavily in debt. "It ideally reflects the absolute superiority of our country's socialist system, and the economic vitality of new China" under Mr. Mao's leadership. "The majority" of the countries ruled by "imperialism, revisionism and reaction" were heavily in debt and were confronted with growing political and economic crises.

(**The Hindu,** Madras and **The New York Times**)

[Prev. ref. 8122:CHI:C]

C. **Mr. Mao Tse-tung Receives Diplomats:** Mr. Mao Tse-tung and Marshal Lin Piao set up a new diplomatic precedent on May 1 when they received a number of newly appointed foreign Ambassadors on Tien An Men rostrum in Peking during a May Day parade.

Never before had newly appointed foreign Ambassadors been formally received by the Communist Party Chairman in such a public place. Receptions were always held in Mr. Mao's residence or working place. Why the Tien An Men rostrum was selected for him to greet the new Ambassadors was not quite clear.

Received on this occasion were the new Ambassadors from Albania, Pakistan, Cambodia, Zambia, Sweden, Congo (Brazzaville), Tanzania and Guinea. Of the eight Ambassadors, those from Albania, Pakistan, Cambodia, Sweden, Congo and Guinea were accompanied by their wives. Present at all these receptions was the Premier, Mr. Chou En-lai, who is also a member of the Standing Committee of the Chinese Communist Party Politburo and Mr. Kang Sheng, another member of the Standing Committee.

(**The Hindu**, Madras)

HONG KONG

A. **Remission Of Sentences On Communist Prisoners:** The Governor, Sir David Trench, signed on May 9 warrants allowing remission of sentences on 11 Communist prisoners jailed for offences in 1967.

The remissions meant that all Communist Press workers would be freed this year. After the 1967 disturbances they had been sentenced to over four years' imprisonment.

Among them was Mr. Wong Chak, one of the 11 journalists and Press workers whose arrest was considered to have led to the house arrest of the **Reuter** news agency correspondent, Mr. Anthony Grey, in Peking in July, 1967. Mr. Chak's sentence was due to expire in February, 1970. He is now expected to be released in September or October this year. The other 10 persons will be released about the same time.

Foreign Office officials in Britain said that the clemency move was part of a general review of 143 cases in Hong Kong involving prison terms exceeding four years for participation in the 1967 disorders.

(**The Times,** London)

[Prev. ref. 7831:HGK:A; 7869:HGK: A, 8789:CHI:C]

INDIA

SUMMARY: Indian Envoys In West Asia Meet; Constitution And Presidential Take-over At Centre; CPI(M) Criticizes Chinese Communist Party; Kerala Cabinet Rift; CPI Red Guards; Jana Sangh-Swatantra-BKD Merger Talks; P-SP Resolutions.

A. **Conference Of Indian Envoys To West Asia And North Africa:** Addressing a five-day conference of Indian Ambassadors in the countries of West Asia and North Africa in New Delhi on May 27, the External Affairs Minister, Mr. Dinesh Singh, said that what "remains to be settled" in the Kashmir issue "is the continued occupation of a part of Kashmir as a result of Pakistan's aggression which India had referred to the UN."

He blamed Pakistan's obdurate adherence to "outmoded ideas for a religious State" for her recurrent troubles and said even the Kashmir question represented in the final analysis "the inherent dichotomy" between the approaches of India and Pakistan—secularism and theocracy. Therefore, there should be no doubt in the mind of any one of there being any settlement (with Pakistan) by India giving away Kashmir.

He said that it would be difficult for India to revise her policy of not establishing diplomatic relations with Israel, though recognizing it as a sovereign State, until there was "a revision of her wrong policies against the Arabs, particularly the Palestinians".

He referred to the "difficulties" President Nasser was facing in the Arab world and called for "a continuous effort to forge unity among the progressive forces and the will of peoples of these areas to remain independent". Unless this was done, there was the danger of the progressive forces being isolated and put into great difficulty.

Mentioning that the countries of

West Asia and the North Africa region constituted one single bloc of Islamic nations, he said even when India was being divided on a religious basis and when the entire atmosphere was supercharged with violence and hatred, India's leaders, Mahatma Gandhi and Mr. Nehru, had played a historic role in maintaining a certain balance in the country. They had succeeded in preserving the secular and democratic structure in free India against tremendous odds. This was no mean achievement and could not be taken for granted after two decades.

Decisions:

On May 28, a series of concrete measures in the fields of economic, cultural and political relations were spelt out by the conference of Indian Ambassadors in West Asia and North Africa to bring India closer to the individual countries in this area.

As had been the tendency in the past couple of years, the conference laid emphasis on the development of trade and economic relations between India and the countries of this region. A pre-requisite of this, which the conference recognized, was building up of an image of India as a country with a broad industrial base capable of establishing economic relations on the more sophisticated levels. To do this, the conference felt that export houses should set up showrooms in different countries and that the Federation of Indian Chambers of Commerce and Industry should send a delegation to the region to convey a comprehensive idea of the industrial progress made in India.

The conference decided that India should participate in the Asian Trade Fair at Tehran as well as in Algeria. It recommended that consideration should be given for the establishment of warehousing facilities in free ports so that the supplies were readily available in the region.

The Ambassadors were also of the view that the establishment of a direct shipping line with the countries of the region would promote exports.

(The Times of India and **The Statesman**, New Delhi)

[Prev. ref. 7854:ISR:A, 8136:INI:E]

B. **Australian Collaboration In Sheep Farming:** The Indian and Australian Governments agreed on May 29 to co-operate in the establishment of a large sheep breeding farm near Hissar in Haryana.

The aim of the project is to breed high-quality sheep in numbers large enough to have a significant impact on meat and wool production in India.

The farm will provide pure-bred Australian Corriedale sheep for cross-breeding with indigenous sheep at Central and State Government farms in other parts of India. The high-quality crossbred sheep from these farms will be distributed through extension centres.

The Hissar farm will also provide training in sheep husbandry, including training for extension officers to ensure that sheep owners get the maximum benefit from the scheme.

(The Hindustan Times, New Delhi)

C. **Possibilities Of India-Colombia Joint Industrial Projects:** It was disclosed in New Delhi on May 23 that India and Colombia had agreed in principle to study the possibilities of joint industrial projects.

The two countries also agreed that studies conducive to the signing of a Trade Agreement between the two countries should be finalized in the shortest possible time.

A declaration signed by an Indian economic and trade mission on a visit to Latin American countries, with the Government of Colombia, also underlined the interests of the two countries in increasing mutual trade.

(The Hindustan Times, New Delhi)

D. **Nepalese Subsidiary Of IOC Formed:** The Central Cabinet formally approved on May 27 the formation of a Nepalese subsidiary of the State-owned Indian Oil Corporation, the first such foreign venture IOC had begun.

The formation of a subsidiary became necessary in view of the Nepalese Government's insistence in this regard. The Nepalese Government did not want a wholly Indian-owned company to operate in that country. It was to meet this objection that the Indian Government agreed to the formation of a subsidiary company with an element of Nepalese participation in it.

The new company will control distribution and marketing of IOC's petroleum products in Nepal. IOC, even now, is the largest single marketing and distribution net-work in Nepal.

(The Hindustan Times, New Delhi)

[Prev. ref. 8450:NEP:A, 8600:INI:A]

E. **Presidential Take-over Of Central Administration Not Envisaged By Constitution:** Speaking over **All-India Radio** on May 28, the Law Minister, Mr. P. Govinda Menon, maintained that the Constitution did not envisage any take-over of the Central Administration by the President.

In his view, the President, as the King or Queen in the United Kingdom, could not carry on the administration without the advice of a Council of Ministers. The President would be going "out of his way" if he were to dismiss a Ministry.

Mr. Menon told a questioner that the President's position as the supreme commander of the armed forces was "symbolic and notional" and it did not give him any special powers to govern the country with the help of the armed forces.

He said the UK convention, under which the Queen or the King, as the case might be, could not function without the aid and help of the Cabinet, would apply to the Centre but not the States. There was a definite provision for President's Rule in the Constitution about States under certain circumstances.

On Centre-State relations, he agreed that a "national dialogue" to remove irritants would be good, but pointed out that "none of the statesmen of the States" had identified so far the issues on which they would want constitutional amendments.

As regards financial relations between the Centre and the States, he favoured the idea of a "permanent finance commission," but was of the view that there was little scope for amending the Seventh Schedule of the Constitution which specified the spheres of taxation. He said there could be no consensus regarding transfer of any one of the Central sources of revenue to the States as this would impoverish many States. "I am sure," he said, '"that the Deputy Chief Minister of West Bengal and the Chief Minister of Kerala, although they both belong to the Marxist Party, will not and cannot come to an agreement regarding the transfer of income-tax from the Centre to the States."

(The Times of India, New Delhi)

[Prev. ref. 8115:INI:T, 8270:INI:G, 8399:INI:N]

F. **CPI(M) Criticizes Chinese Communist Party:** The CPI(M), in its Politburo statement on the Ninth Congress of the Communist Party of China (CPC), in Calcutta on May 28 implied that the CPC had ceased to be a Communist Party. It characterized the CPC as a party built on "faith" rather than "the science of Marxism" and "the principle of democratic centralism."

The CPI (M) also made it clear that it had "broad agreement" with the CPC's general line as enunciated in the latter party's letter to the Communist Party of the Soviet Union on June 14, 1963. The recent Congress proceedings had suggested that the CPC had deviated from this "general line" and hence from Marxism-Leninism.

What had angered the CPI(M) so much were two CPC documents —Marshal Lin Piao's report and the party's new constitution (see page 8968). Giving its own emphasis in italics, the CPI(M) statement quoted the constitution as saying: "Comrade Lin Piao is Comrade Mao Tse-tung's close comrade-in-arms and successor." The CPI (M) also found that the CPC had fanatically desired to elevate Mr. Mao to the rank of Marx and Lenin. Naming Marshal Lin Piao as successor to Mao in the party constitution appeared "really strange and monstrous" to the CPI(M). This amounted to replacing the democratic principle of election of leaders by the principle of succession, according to the CPI(M).

While accepting Mr. Mao's great contribution towards the success of the revolution in China, the CPI (M) found no reason why the thoughts of Mr. Mao should be added to Marxism-Leninism with a hyphen. The CPI(M) statement quoted liberally from Lenin to show that Mr. Mao, in putting forward the theory of continuing the revolution under the dictatorship of the proletariat, had not contributed anything new but had only followed what Lenin had stated and Stalin practised.

The CPI(M) also sought to find reasons for the decline of "a great revolutionary party" like the CPC. The statement said that the CPC had been committing grave mistakes because "it is in the course of a life-and-death struggle" created by the contemporary geo-political situation. The CPC had the task of building socialism in a huge and under-developed country and it faced "the most vicious blockade organized by the world imperialists on the one hand and the extremely strained relations with the Soviet Union under its present revisionist leaders on the other". (**The Hindustan Times**, New Delhi)
[Prev. ref. 8944:CHI:A, 8968:CHI:A]

C. Kerala Cabinet Rift—Mr. P. K. Kunju Resigns: The resignation of the Kerala Finance Minister, Mr. P. K. Kunju, plunged the State into a Cabinet crisis on May 13.

The Marxist Chief Minister, Mr. E. M. S. Namboodiripad, told newsmen that he had accepted the resignation of Mr. Kunju, and would take over the Finance portfolio. He also said that he would soon order a judicial probe of corruption charges against Mr. Kunju under the Commission of Inquiries Act.

He said that he had found no **prima facie** case against the KTP Minister, Mr. B. Wellingdon, and the Marxist Minister, Mr. M. K. Krishnan. It was after examining the papers laid on the table of the Assembly that he had come to this conclusion. He affirmed that he was prepared to re-open any case if more tenable evidence was supplied against the Ministers.

Mr. Kunju told newsmen later that he would have resigned immediately after receiving the Chief Minister's official letter asking him to resign. But he had waited for the decision of the Co-ordination Committee which had met during the last two days and ended in confusion.

He added that it was necessary on his part to prove his honesty. He had made many sacrifices in the political field for nearly 40 years, and had always acted with integrity and unselfishness. He alleged that Mr. Namboodiripad did not even extend to him the courtesy of discussing the allegations against him.

He said the Chief Minister had set a precedent in the matter in 1968 when allegations were made against the CPI Minister, Mr. T. V. Thomas. Mr. Namboodiripad had then announced that Mr. Thomas' party would decide on any action necessary against him.

In reply to Mr. Kunju's statement, Mr. Namboodiripad said the allegations against Mr. Thomas were political. There was a difference between corruption charges and political allegations. There could be a compromise on political issues but not on corruption.

He said he had examined the statement regarding the assets and the liabilities of Mr. Kunju and also the papers laid on the table of the Assembly. He had then sought and obtained a clarification in writing from Mr. Kunju. He thought no personal talk with Mr. Kunju was necessary.

Inquiry Commission:

Mr. Justice P. Govinda Menon, a retired Judge of the Kerala High Court, was appointed on June 5 as the one-man Commission to inquire into allegations raised in the Assembly against Mr. P. K. Kunju, who resigned as Finance Minister on May 13.

Mr. Justice Menon was requested to submit his report by September 30, 1969.

The Chief Minister, Mr. E.M. S. Namboodiripad, announced on June 5 that he had not found on examination any basis for the allegations of corruption made on the floor of the Assembly against the Health Minister, Mr. B. Willingdon and the Forest Minister, Mr. M. K. Krishnan.

Kerala United Front Differences:

The Kerala Chief Minister, Mr. E. M. S. Namboodiripad, admitted to a correspondent in Calcutta on May 22 that the United Front in Kerala was facing a crisis. "After all, when two of its constituents threaten to walk out, you cannot call it anything short of a crisis."

He would not, however, like to forecast how events might develop in Kerala. Nor would he give his own assessment as to how much of this crisis could be attributed to a desperate bid on behalf of all the partners to expand and consolidate themselves politically and organizationally. He brushed aside questions by saying: "I would not like to enter into that question at this stage."

Asked how serious was the threat to the UF, he said that that depended on the seriousness with which CPI and JSP would pursue their threats. He took particular note in this connexion of the CPI's declaration that if the 13 points raised by it were not given effect to within the next three months, it would quit the Front to make it clear that some of these points involved basic policy issues on which "we CPI (M) can never compromise". However, there were a few others which were factually correct and, therefore, could be discussed; in fact, he himself had initiated certain steps in regard to these.

One of the points on which the CPI(M) saw no scope for compromise related to large-scale mechanization of agricultural operations. The CPI Minister in charge of Agriculture, Mr. M. N. Govindan Nair, according to Mr. Namboodiripad, maintained that for increasing food production, large-scale mechanization was necessary. Considering the back-log of unemployment in the State, he said, CPI(M) believed that mechanization would result in large-scale unemployment in the at local levels agreements had been reached between farmers and agricultural workers on the limited use of mechanical devices like tractors. But as a matter of policy, CPI (M) could not agree to large-scale mechanization.

Secondly, CPI had "joined the chorus of vested interests" that CPI (M) was inciting agricultural labourers against farmers, much to the detriment of agricultural production as a whole. It might be that in some areas the leadership of agricultural labourers "have gone a little further". That needed to be tackled. But this did not mean that CPI (M) would guarantee that it would not stand behind movements and struggles by agricultural labourers.

Thirdly, he said CPI believed there was great possibility of industrialization by allowing firms like Mitsubishi of Japan to come to Kerala in such branches like iron-ore processing. This meant collaboration of Indian private capital with foreign monopoly capital.

On the other hand, he pointed out, there were a few offers from socialist countries to collaborate in iron processing itself and he firmly believed there was immense scope for building up collaboration between socialist countries and the State-owned Kerala Industrial Development Corporation. "We do not say we should not touch the Japanese at all. We are of the view that this sort of co-operation between the public sector units in Kerala and similar units in socialist countries should be explored. Before that is done, we cannot go into large-scale collaboration with foreign monopoly capital."

In regard to some other points made by CPI in its ultimatum, Mr. Namboodiripad said, CPI was factually wrong. One of these related to the suspension of the principal of an Agricultural College. The decision was taken by "myself and Mr. M. N. Govindan Nair together."

He also referred to the controversy over conflicting figures of food production provided by the Agriculture Department and the Statistical Bureau. Because the Statistical Bureau was under his charge, he said, a campaign had been mounted against "me that I was deliberately under-estimating the increase in production under the stewardship of a CPI Minister".

In regard to certain other points such as the one relating to a recent departmental circular that all Government exhibitions should be organized by the Public Relations Department, acting as a centralized agency, he said he had once welcomed a suggestion made to that effect by the Public Relations Department. But when he found that the actual circular had been issued without prior consultation with the other department concerned, he had immediately stayed its implementation and referred the issue back to the Council of Ministers.

Mr. E. M. S. Namboodiripad Criticises Kerala CPI Ministers:

The Kerala Chief Minister, Mr. E. M. S. Namboodiripad, told the CPI on May 28 that he would publish some of the letters which the CPI leaders "would like to keep back," unless the CPI stopped repeating "baseless allegations."

He added that "the only difference" between the CPI leaders and himself was that while they gave publicity to their letters making baseless allegations, "I have scrupulously observed the convention of keeping such letters confidential."

He made these comments in a rejoinder to the statement from Calcutta of Mr. N. K. Krishnan, Central Secretariat member of the CPI. In the rejoinder released for publication by the CPI (M), Mr. Namboodiripad made the following points:

(1) Mr. Krishnan's assertion that the CPI(M) interfere in the portfolios of the CPI Ministers was baseless. On the contrary there were instances of interference from the Right Communists "in my own portfolio."

(2) The charge made against Mr. T. V. Thomas was not "irresponsible." He was prepared to substantiate his charges in public against Mr. Thomas even now, "if that is what the Right Communists want."

(3) Any compromise formula for a mechanism to probe corruption charges against Ministers could not be divorced from the wider issue of relations within the United Front. The CPI's three-month ultimatum to the CPI(M) raised the broader issue of the relations within the United Front. "We felt that if the Right Communists persist in their attitude which led them to give that ultimatum, a break-up of the United Front was inevitable."

(4) The CPI (M) had its own detailed proposals regarding the entire question of relations within the United Front including the question of the machinery for corruption probe. "I am, however, sorry to remind the leaders of the Central Secretariat of the Communist Party of India that the way in which they are behaving towards us will not help the process of resolving these questions."

Kerala's Industrial Potential:

The Kerala Industries Minister, Mr. T. V. Thomas (CPI), said in Trivandrum on May 29 that he would oppose the Marxist attempt to barter away Kerala's industrial potential to Yugoslavia or Rumania although he might have to pay a heavy price for it.

The CPI(M), according to him, wanted Kerala's iron-ore deposits to be exported to Yugoslavia or Rumania while he was making sustained efforts to establish a steel alloy plant in Kerala itself.

He said that he could understand the Marxist anxiety to get closer with Yugoslavia and Rumania in the context of the present international alignments. But, he would not be a party to sacrifice his own country's interest for the sake of ulterior international motives.

He denied a CPI(M) Politburo statement that he had submitted a report to the State Cabinet suggesting that the entire industrial potential of Kerala should be tapped by Japanese industrialists and rejecting Yugoslav and Rumanian proposals.

(The Statesman, Calcutta and **The Hindu,** Madras)

[Prev. ref. 7629:INI:A, 8684:INI:E, 8796:INI:R]

H. West Bengal Minister "Gherao-ed": West Bengal's Minister for Commerce and Industries, Mr. Sushil Kumar Dhara was **gheraoed** (forcible confinement) by extremist Communist (Maoist) Naxalite workers at Jaldhaka Hydel Power station for 92 hours from May 21.

Mr. Dhara had gone to Jaldhaka on May 20 on a four-day visit. On May 21, the workers submitted to him a memorandum covering five demands and insisted on immediate decision on each of them. Mr. Dhara promised to look into them and to decide after consulting his Cabinet colleagues. The workers then surrounded his room in the inspection bungalow, while Mr. Dhara on the other hand declared a protest fast till the **gherao** was lifted.

Mr. Nani Bhattacharya, the Health Minister who visited Jaldhaka on May 24 sent an urgent message to the Chief Minister, Mr. Ajoy Mukherjee asking for immediate removal of Mr. Dhara to Siliguri hospital. Mr. Mukherjee issued orders to the police accordingly and Mr. Dhara was rescued by the police at 11.30 A.M. on May 25, the workers offering no resistance.

Earlier, on May 24, Mr. Ajoy Mukherjee, the Deputy Chief Minister, Mr. Jyoti Basu and four other Ministers held talks with Mr. Parirural areas, although he agreed that mal Dasgupta, President of the State Electricity Board Workers' Union. They said the Government was prepared to discuss the workers' demands with the Union in the first week of June, provided the Union agreed to lift the **gherao** on Mr. Dhara. But the Union did not agree to it. The appeal of Mr. Manoranjan Roy, General Secretary, West Bengal unit of the A-ITUC, to the workers to withdraw the **gherao** too went unheeded. On the other hand, Mr. Dhara continued his fast in spite of three successive messages from the Chief Minister. Mr. Sudhir Kumar and Mr. Sambhu Ghosh, both Ministers of West Bengal arrived at Jaldhaka on May 25 and arranged with the workers that with the immediate lifting of the **gherao** a settlement of their demands would be announced in June. But Mr. Dhara declined to accept the conditional lifting of the **gherao**. He broke his fast at Siliguri on the persuasion of Mr. Sukumar Roy, Vice-President of the Bangla Congress, Mr. Ajoy Mukherjee's party of which Mr. Dhara is General Secretary.

On May 28, at a news conference in Calcutta, Mr. Dhara denounced **gheraos** as "coercive tactics which would only bring many social and economic complications." He said that coercion, intimidation or duress were wrong but he would not advocate legislation to prevent them. The problem must be fought on a "moral plane".

In his opinion, permanent remedial measures must be found to end **gheraos**. "I have set the ball rolling and I hope all others will play the game."

[The Ministers of the United Front who were not members of the Bangla Congress had been **gheraoed** in West Bengal in the past and they had adopted their own methods to break through them. Mr. Subodh Banerjee, the originator of **gheraos** and now Minister for Public Works, had rescued himself when he was **gheraoed** by petty contractors in the State Secretariat, by calling in volunteers of his party, the Socialist Unity Centre, who responded with sticks and other weapons and cleared the Minister's room of demonstrators. The Land Revenue Minister, Mr. Harekrushna Konar (CPI-M) when **gheraoed** by the Engineering College students near Jalpaiguri was rescued by some 500 CPI(M) workers who rushed to the scene. But, Mr. Dhara, whose **gherao** was perhaps the longest, adopted what he called a "moral" method to meet the exigency.]

(The Statesman, Calcutta)

[Prev. ref. 7980:INI:J, 8040:INI:G]

I. **CPI Red Guards Revived:** It was disclosed in Bombay on May 29 that the Communist Party of India (CPI) had revived its Red Guards but in a new form and a new name. It would now be known as Lok Seva Dal.

The Red Guards would not only to trained like a para-military organization but would be entrusted with social work to get closer to the masses. Recruitment to the Dal would be from teenagers, both boys and girls.

A serious move made a few months earlier to revive the Red Guards had run into trouble, with the Shiv Sena attacking party meetings and its offices.

[The decision to revive the Red Guards and call it a Dal was taken at the party's eighth conference in Patna in 1968. The CPI in Kerala has 7,000 volunteers while the CP(M) in that State could mobilize 10,000 men and women. The Red Guards, originally formed in 1943, comprised mostly of hard-boiled card-holders. The emphasis now was on drawing young blood into the Dal. The Dal members now gather at regular intervals for intensive physical training. They begin their daily chores by saluting the Red Flag with hammer and sickle. A study circle on Marxism is arranged once a week for the members.]

(The Times of India, New Delhi)

[Prev. ref. 8213:INI:E]

J. **Jana Sangh-Swatantra-BKD Merger Talks:** The merger talks among leaders of the Swatantra Party, Jana Sangh and the Bharatiya Kranti Dal (BKD) ended inconclusively in New Delhi on May 27, with the promise that they would meet again to pick up the threads, preferably in the presence of the Jana Sangh President, Mr. Atal Bihari Vajpayee, who could not attend owing to illness.

The Jana Sangh spokesmen at the meeting were reported to have repeated their suggestion that the parties might begin with a joint front in Parliament and in State Legislatures. This apparently did not find favour with the other spokesmen who wanted an outright merger.

In a joint **communique** issued at the end of their deliberations it was stated that the talks were "exploratory in nature" and were intended to demarcate areas of agreement and "to assess and narrow down areas of disagreement between the parties."

The talks, it said, so far had been satisfactory and "it has been decided to resume these after an interval of time that would enable the spokesmen of the three parties to consult their colleagues in regard to various issues such as Centre-State relations, the attitude towards the Communist menace, problems of defence, including the question of nuclear armaments, Kashmir, relations with Pakistan, the minority issue, the Nagaland border hostilities and the language problem."

They welcomed the Prime Minister's statement that the selection of the next President "should not be a party question but a national one". Such an approch would imply, the **communique** said, that no party should put up any candidate and that there should be a free vote without any party whip. It urged the Congress and other Opposition parties to join them in giving practical shape to such an approach which, they felt, would be in the national interest. In the light of this, they chose not to consider names of any candidates.

BKD Closes Door On Jana Sangh:

Within 36 hours of "satisfactory" merger talks with Swatantra and Jana Sangh leaders, the National Executive of the Bharatiya Kranti Dal (BKD) decided on May 28 to exclude the Jana Sangh from the future round of formal unity talks with the Swatantra Party.

The sudden decision of the BKD, which initiated the idea of the new party, was considered in Delhi as "tactical", as one of its Executive Committee members told correspondents that "in politics decisions are taken according to situations".

Some of the BKD leaders were understood to feel that a section of the Jana Sangh, including Mr. A. B. Vajpayee, was not keen on merging the party's identity in the new party.

Mr. Charan Singh, BKD Chairman, told a questioner at the end of the Executive Committee meeting that "our impression is that they (Jana Sangh) are not prepared to sink their identity in a new party".

He said: "The Executive Committee has regretfully come to the conclusion that so far as the Jana Sangh is concerned, talks with them will have to be closed. Negotiations with the other parties—Swatantra and Praja-Socialist—will, however, continue.

Mr. A. B. Vajpayee's Answer:

In reply to BKD on May 29, the Jana Sangh President, Mr. A. B. Vajpayee, hit out at the BKD for having acted "immaturely" in excluding his party from any future merger talks.

He told newsmen that the Jana Sangh could not be "hustled into taking a decision on such a crucial issue. The BKD must know its limitations."

He said that the Jana Sangh did not rule out merger of democratic and progressive parties, but there must be a prior agreement on policies, principles and programmes. There was no point in forming a new party which would speak in different voices. Such a party would carry no weight. It was not proper to talk of outright merger without taking adequate precautions that dissensions were not caused in the new party.

He re-iterated the Jana Sangh suggestion to form a united bloc of Swatantra, BKD and Jana Sangh in Parliament and the State Legislatures and said that this might pave the way for ultimate merger. His party had always resisted merger as a first step. "How can there be a merger without agreement on *fundamental principles?"*

***(The Times of India** and **The Statesman,** New Delhi)*

[Prev. ref. 7967:INI:I, 8040:INI:F]

K. **P-SP National Executive Resolutions:** The National Executive of the Praja-Socialist Party (P-SP), which met at Yelwal, seven miles from Mysore, in a resolution on May 23 demanded the appointment of a tribunal to resolve inter-State boundary disputes on the basis of well-defined principles.

The Inter-State Council provided for in Article 263 of the Constitution, it said, should be created and its scope widened.

It also called for a re-examination of the problem of allocation of financial powers and resources between the Centre and the States. It, however, pleaded for preserving the "basic structure" of the Constitution, which represents a happy blending of the federal and unitary features.

The resolution referred to the two suggestions made to improve Centre-State relations—one pleading for a unitary Constitution for the country under which the States were "robbed" of their authority and initiative and the Centre became the focal point of all political and economic power and the other to "weaken" the Centre by leaving in its purview subjects like defence, foreign affairs, communications and finance and to transfer other subjects to the States.

It said that the adoption of a purely unitary Constitution would mean a "total disregard" of the historical basis of India's unity amidst diversity. It would sap the very roots of a decentralized democracy and prevent people's purposeful participation in the working of democracy. On the other hand, efforts to weaken the Centre would make India vulnerable to aggression by "our hostile neighbours". The P-SP, therefore, rejected both these extremes.

On Fourth Plan:

In another resolution on May 24, the P-SP National Executive described the Fourth Five-Year Plan as "an essay in frustration, meant more to consolidate the investments in the earlier Plans than to provide for rapid economic development".

It said that the Plan had belied the high expectations of the people since its size had been reduced and its percentage of investment in the public sector made even smaller than in the Third Plan.

At the outset, the publication of the draft Fourth Plan was a "vindication of the people's demand" for development to be resumed on a planned basis—a commitment which the Government had abandoned under pressure from vested interests of a **laissez faire** economy.

Even if the Plan targets were achieved, the Indian economy would not be taken beyond the objectives of the Third Plan, whereas social injustices had been accumulating from "the colossal income transfers of more than Rs. 1,300 crores annually from the masses and the salaried middle classes into the pockets of a monied minority".

Referring to agriculture, the resolution said that the high-yielding varieties programme had brought spectacular increase in agricultural production in certain areas of perennial irrigation. But, this had also created a new class of rich peasants and generated new imbalances and disparities since the "green revolution" had not touched the small farmers and landless labourers and vast areas of dry farming continued stagnant.

For a regeneration of the rural sector, it suggested acceleration of land reforms; ceilings on land ownership; consolidation of holdings; provision of inputs like cheap credit, fertilizers and better seeds, irrigation to cover 50 per cent of all cultivable land marketing facilities; and remunerative prices for the small farmer.

It re-iterated its demand for the nationalization of all credit institutions, including banks and general insurance. In the absence of strict control on credit institutions, financial bodies themselves favoured strengthening the monopoly sector. It was no accident, it said, that 36 per cent of the investments of the Life Insurance Corporation by the end of March, 1968 was in the first ten business groups listed by the Monopoly Commission.

It called upon the Government to make a firm declaration on the limits beyond which it would not permit prices to rise and suggested "built-in regulatory measures" such as buffer stocks, price regulation of essential goods and credit control to check spiralling prices, which if continued to be neglected would retard the tempo of development.

(**The Hindustan Times**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 8946:INI:A]

L. **Bihar Cabinet Expansion:** Eleven more Ministers of Cabinet rank and seven Ministers of State were sworn-in in Patna on May 18, bringing the total strength of the Congress-led coalition Ministry in Bihar to 33.

Of the 11 Ministers of Cabinet rank, ten belong to the Congress and one to the Hul Jharkhand.

Mr. Seth Hembrom of the Hul Jharkhand was included in the list a few minutes before the swearing-in ceremony.

Among those who were sworn-in included the dissident Congress leader, Mr. Daroga Prasad Rai. Mr. Rai took the oath 72 days after his appointment as Cabinet Minister. He had earlier declined the offer on the ground that adequate representation had not been given to his group.

The following are the 11 new Cabinet Ministers:

Mr. Daroga Prasad Rai, Mr. Baleswar Ram, Mr. M. R. Munda, Mr. Lahtan Chaudhari, Prof. Nagendra Jha, Mr. Saryu Prasad Singh, Mr. Shatrughana Sharan Singh, Mr. Ram Bilas Sharma, Mr. Jagannath Prasad Singh, Mr. Rajendra Pratap Singh (all Congress), and Mr. Hembrom (Hul Jharkhand).

The seven Ministers of State included four from the Janta Party, two from the Jharkhand and one

Independent. They were: Mr. Kailashpati Singh, Mr. Nagina Rao, Mr. Purnendu Narain Singh and Mr. Raghunathan Prasad (all Janta Party); Mr. Ratnakar Naik and Mr. Banbehari Mahto (both Jharkhand) and Mr. Mohammed Azimuddin (Ind.)

This expansion of the Bihar Cabinet was the third since the installation of the new Ministry three months ago.

The party-wise break-up of the 33-member Ministry at the moment is: Congress 19, Janta Party 6, Jharkhand Party 4, Soshit Dal 2, Hul Jharkhand one, Independent one.

The Chief Minister claims to have stabilized the position of the ruling Congress by the inclusion of the Hul Jharkhand representative in his Cabinet.

The Hul Jharkhand, led by Mr. Justin Richard, has a following of six MLAs in the State Legislative Assembly.

(The **Hindusthan Standard,** Calcutta)

[Prev. ref. 8957:INI:J]

M. **Student Leaders' Conference:** A three-day conference of student leaders, which concluded in New Delhi on May 25, demanded employment as a fundamental right and student representation on various college and university committees. It also suggested that the Government should provide for unemployment dole.

This was the first officially-sponsored conference attended by 70 Presidents, Secretaries or other representatives of students' unions.

It rejected a suggestion to form an all-India student body representing various universities, but demanded democratically-elected unions whose membership should be compulsory.

It suggested that the education system should be more job-oriented and linked to employment needs. Greater emphasis should be placed on the introduction of vocational subjects in degree courses.

It felt that education imparted in universities and colleges had "not been purposeful, productive and employment oriented." The planning system had been "completely defective and needed a radical change."

It suggested that graduates should offer themselves to work in rural areas and capital distribution should shift to the rural areas and agriculture should be given primary importance. Compulsory rural service should be prescribed for agricultural and medical students.

To find resources to provide employment, the conference recommended conversion of all sectors into public sector, ceiling on land holdings and distribution of land among the unemployed, abolition of privy purses, opening of co-operative stores and co-operative farming, encouragement to small-scale industries on co-operative basis, provision of loans to engineers and others to create their own employment by starting small-scale industries.

It also recommended the formation of a discipline committee with 50-50 representation for teachers and elected student representatives to deal with cases of breach of discipline by students within the university campus.

(**The Statesman,** New Delhi)

[Prev. ref. 8937:INI:M]

N. **Central Council Of Indian Medicine And Homoeopathy:** The Central Government on May 29 took a major step for the promotion of Indian medicine and homoeopathy by constituting an autonomous Central Council to initiate, guide, develop and co-ordinate scientific research, both fundamental and applied, on Ayurveda, Siddha, Unani and Homoeopathy systems of medicine and Yoga therapy.

The Council would administer the fund of Rs. 60,00,000 in 1969-70 on post-graduate education and research in these systems. The total amount in the Fourth Plan for the purpose is Rs. 6 crores.

To facilitate the functioning of the Council, separate cells would be formed for each system. All the members of the 23-member Council were, for the present, nominated by the Government.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 5220:INI:J]

O. **Drought In Tamil Nadu:** The Chief Minister of Tamil Nadu, Mr. M. Karunanidhi, said in Madras on May 25 that nearly 18 million people had been directly affected by drought in the State and food production had come down by nearly 12,00,000 tonnes.

Speaking over the Madras Station of **All-India Radio,** he gave an account of the damage caused by drought in the State and the measures taken by the Centre and the State Governments to counter the havoc.

In 1968-69, paddy crops were affected in more than 9,00,000 acres of land. In districts like Coimbatore, even the cattle did not have enough fodder. In small towns and villages supply of drinking water was a big problem. He appealed to the people of the State to consume more wheat and reduce the consumption of rice. If the people of the State could take to the wheat-eating habit, "we can overcome rice scarcity."

He added that as an immediate measure to mitigate the sufferings of the affected people, the Government had set apart Rs. 1.5 crores. The Government had also appealed to the Centre for more assistance to meet the situation. The State Government had sanctioned further relief measures for the districts to the tune of Rs. 5 crores. The Centre had so far given Rs. 3 crores.

(**The Hindu,** Madras)

IRAN

A. **Oil Agreement With Western Consortium:** Iran and a consortium of major Western oil companies reached agreement in Tehran on May 14 on the revenue Iran would get from the consortium in the coming year, but did not announce the amount.

The year in question is the Iranian year 1348, which ends in March, 1970. The accord followed four days of intensive discussions.

A **communique** issued at the conclusion of the oil talks said: "Agreement was reached with respect to Government revenue requirements for 1348."

The absence of any figure raised doubts that the consortium had met Iran's billion-dollar demand in full. Before the meeting, the consortium had resisted Iran's demand, arguing that it would be difficult to find markets for such increased output.

The **communique** said the talks were marked by "mutual understanding and co-operation." It also said that further talks would be held this year with regard to "the future position."

Both sides maintained strict secrecy that had surrounded the talks from the beginning.

The consortium produces and markets more than 90 per cent of Iran's oil under an agreement whereby it shares earnings with Iran on roughly a 50-50 basis. It has been increasing its production and sale of Iranian oil by 12 per cent a year. But, for 1969, Iran has been demanding a 17 per cent increase over last year's actual output in order to raise $1 billion in revenue from the consortium. This amount has been budgeted for development funds under Iran's $11.5 billion five-year development plan.

The consortium is composed of British Petroleum 40 per cent; Royal Dutch Shell 14 per cent; Compagnie Francaise des Petroles 6 per cent; Gulf, Mobil, Jersey Standard, California Standard and Texaco, all American companies, 7 per cent each; and five smaller US companies, the Iricon group, with a total share of 5 per cent.

The consortium had strongly opposed Iran's demands on the grounds that there was already a glut of oil on world markets, and the 17 per cent production increase would aggravate disposal problems.

The oil companies also feared that acceding to Iran's demands would set off a chain reaction in other countries. In Kuwait, for instance, the Finance and Oil Minister, Mr. Abdel-Rahman al-Atiqi, reaffirmed that Kuwait would reconsider all its oil-company agreements if any concessions were granted Iran at Kuwait's expense. He said his nation expected a minimum of 6 *per cent output increase per year.*

The Shah of Iran bases his argument on the fact that Iran is the largest and most populous West Asian country (28 million people) with a greater need for oil income to meet the development programme which recently increased Iran's gross national product by 10 per cent annually.

Kuwait, with a population of about 500,000, boasts an oil output almost equal to Iran's.

Also galling was the 48 per cent increase in oil production registered by Libya (population less than 2 million) last year.

At stake for the firms in the Iranian discussions was the future of a 25-year agreement under which the consortium acts as the producing and marketing agent for the National Iranian Oil Co.

The consortium itself was only set up in 1954, following the nationalization of oil interests in 1951.

The Shah's Stand:

Earlier, in a Press interview, the Shah of Iran had personally committed himself to accept nothing less than the entire $1,000 million in oil revenues that his Government was demanding of the consortium.

He said that his confidence in the consortium had been shattered by its failure to meet its revenue promises for last year.

He had proposed to the member-companies that they should re-structure the consortium so that those companies whose main interests were elsewhere should have the chance to sell out and make room for other organizations that were interested in joining.

He said that this year's crisis with the consortium—the oil negotiations had become an annual affair—was much more serious than ever before, partly because of the loss of confidence in the consortium after it had failed by about $20 million to meet last year's revenue agreement of $8,865,000 (although the Shah did not put it like this) because of the extent to which the Iranian request for a 16 per cent additional increase to $1,000 million exceeded this year's estimated West Asian oil output increase of six or seven per cent. He stressed that he was no longer prepared to accept the consortium's offer "to do its best to reach the $1,000 million target." "I cannot build the future of my country on promises."

His explanation for the reasons for his demand for another 16 per cent increase in revenues were summed up in four points:

(1) The consortium was preventing Iran from exploiting her *national wealth to the full;*

(2) The Western countries were unwise to choose to take the greatest oil output increases from certain Arab States rather than Iran;

(3) This policy might well endanger international monetary stability when tiny Arab States were enabled to amass enormous reserves in sterling which if switched would "shatter" the world currency system (a clear reference to Kuwait or Libya);

(4) In contrast with the Arabs, the Iranians, with a far larger population of 27 million, devoted all their oil revenues to development.

(**The International Herald Tribune,** Paris and **Kayhan International,** Tehran)

[Prev. ref. 8176:IRN:B]

IRAQ

A. **Relations With Poland**: A delegation, led by the Deputy Prime Minister and Minister of Interior, Gen. Saleh Mehdi Ammash, who is also a member of the Revolutionary Command Council, visited Poland from April 22 to 28.

The delegation held talks with Polish officials including the Deputy Prime Minister, Mr. Stephan Aknar.

The two sides reviewed relations between the two countries and ways and means of developing them to the mutual interest of the two countries.

The talks resulted in the signing of an Agreement under which Poland would supply, a mining plant to Al-Meshraq Sulphur Field for exploiting sulphur directly by the Iraqi Government.

The delegation inspected installations and production at several major industrial centres in various parts of the Polish People's Republic.

A **communique** said the two sides found "wide areas of greater co-operation in various spheres for serving their common interests and for cementing friendly relations between them as well as for boosting their joint endeavour to consolidate peace in the world and re-inforce resistance to colonialism and imperialism."

(The Baghdad Observer)

ISRAEL

A. **Diplomatic Relations With Singapore:** Israel and Singapore established on May 11 full diplomatic relations at Ambassadorial level.

An Israeli Foreign Ministry spokesman said the status of the Israeli trade mission in Singapore had been raised to that of an Embassy with immediate effect.

The head of the trade mission in Singapore, Mr. Hagap Daikan was appointed **Charge d'Affaires** at the new Embassy.

(The Jerusalem Post)

JAPAN

A. **Government Support To American Reconnaissance Flights:** The Government on April 19 supported the decision of President R. Nixon of the United States to continue reconnaissance flights under protection in the Sea of Japan area.

The Chief Cabinet Secretary, Mr. Shigeru Hori told newsmen that it was "natural that USA take sufficient precautionary measures in resuming the reconnaissance flights near North Korea."

The Opposition's charges that the step would heighten tension in the Sea of Japan area were unfounded. Aerial reconnaissance was conducted around Japan by other countries.

Mr. Hori said the security situation surrounding Japan was not favourable enough to justify suspension of the US reconnaissance operations. They were required to insure Japan's own security.

Defence Ministry sources said that US jet fighter planes escorting US electronic reconnaissance aircraft over the Sea of Japan were not expected to use Japan as the base of their operations. The sources said that the area being covered by EC-121 reconnaissance aircraft off the coast of North Korea was outside the operational radius of F4C and F5B fighter jets stationed at US naval and air force bases in Japan. These bases included those in Yokota, Misawa and Iwakuni.

Meanwhile, a Foreign Ministry source said that flights by Japan-based aerial reconnaissance planes with fighter escort would not be a subject for "prior consultation" under Article 6 of the US-Japan Security Treaty.

Opposition Parties' Criticism:

Japan's major Opposition parties expressed varying degrees of opposition and anxiety regarding the US decision to continue aerial reconnaissance in the Sea of Japan with fighter escort.

For the Japan Socialist Party Mr. Masashi Ishibashi, director of the Party's international affairs bureau, said that the continuation by USA of aerial reconnaissance missions with protection in the Sea of Japan was an act of provocation. Such reconnaissance flights with fighter escort presupposed a possible engagement with hostile aircraft and would involve Japan.

He then demanded that these missions be made subject to "prior consultation" with Japan. The Government should refuse any further co-operation with USA in this regard.

The Democratic Socialist Party (DSP) feared that protected reconnaissance flights over the high seas off the North Korean coast might escalate the present tension in Asia as a result of possible "excessive defence" actions taken by the two parties.

Mr. Eki Sone, chairman of the DSP Foreign Affairs Committee, cautioned USA and North Korea that they should be careful not to resort to excessive defence measures. DSP showed grave concern over the US decision because both reconnaissance and escort planes were based in Japan.

Komeito's Secretary-General, Mr. Junya Yano, called on Mr. Hori at the Diet and demanded that the Government should ask USA not to use bases in Japan to send reconnaissance planes on missions off North Korea's coast. He also proposed that the Government should demand removal of all B-52 bombers stationed in Okinawa.

The Japan Communist Party (JCP) charged that the American decision was designed to intensify its military provocation against North Korea. The planned use of escort planes based in Japan and Okinawa meant that the nation was to become a US intelligence stronghold. It also urged the Government not to permit the use of Japanese bases by American forces and retract their hostile policy towards North Korea.

(The Japan Times, Tokyo)

[Prev. ref. 8961:KRN:A]

B. **Aid To Pacific Islands—Accord With USA:** Japan and USA have signed an Agreement calling on each party to provide $5 million grant to the inhabitants of the Trust Territory of the Pacific Islands.

The two countries exchanged Notes in the third week of April to allow Japanese fishing boats to visit the ports of Turk and Palau, two islands in the Trust Territory. They also exchanged Notes to permit Japan to salvage sunken ships in the area.

The Trust Territory of the Pacific Islands (Nanyo Shoto) had been administered by Japan until World War II under the Covenant of the League of Nations and its mandate.

After the War, the area was administered by the United States according to the UN Charter and the Trusteeship Agreement for the former Japanese-mandated islands.

The conclusion of the accord was in line with the wishes of the residents in the area who had requested compensation for the damage they suffered during World War II. The Agreement was also in consideration of the fact that the UN Trusteeship Council had been urging a prompt settlement of the question.

Under the Agreement, Japan will make available in grants ($5 million) for purchase in Japan of goods and services to be used for the welfare of the inhabitants of the Trust Territory.

The accord stipulated that products and services be supplied over a three-year period from the time when both parties to the agreement completed domestic arrangements for the disbursement of the money.

The two countries agreed that the question of the disposition of properties and claims between Japan and the Trust Territory had been settled finally.

Article 4 of the Treaty of Peace with Japan called for making special arrangements for the settlement of the question. Because of this, the matter was raised repeatedly at the UN Trusteeship Council to Japan's embarrassment.

Japan had been taking the stand that it had no legal obligation to pay compensation for the damage suffered by the inhabitants of the area consisting of three island groups. It agreed, however, on making the contribution on an **ex-gratia** basis since it thought the contribution would meet the interests of not only the Trust Territory but also Japan.

The Trust Territory, composed of the Mariana, Caroline and Marshal island groups, now attracts an increasing number of Japanese tourists. It is also a good market for Japanese goods.

(The Japan Times, Tokyo)

C. **Steel Merger Plans Abandoned:** The two giant steel mills, Yawata and Fuji, unable to meet the demands of the Fair Trade Commission, have abandoned plans for their merger into a new mammoth Shin Nippon Seitetsu (New Japan Iron and Steel) which would have become the world's second largest steel maker.

The decision was announced after the Presidents of the two companies had conferred till the early hours of May 10. While temporarily cancelling the merger plan the two firms, however, made known their determination to take the Fair Trade Commission's decision to court and fight it out there.

Yawata and Fuji had signed the merger agreement in March after the Commission had indicated there was likely to be no objection from it if certain conditions were met so that there would be no contravention of Anti-Monopoly Law of which FTC is the watchdog (see page 8924). The conditions were that corrective measures be taken so as not to corner monopolistic share of market in four items, namely, railway rails, tin-plate for cans, pig-iron for casting and sheet piles.

The merger had been backed by the Ministry of International Trade and Industry as well as business and industrial circles and it had been generally expected that FTC, which many quarters regard as toothless, would give its approval. Therefore, it came as a surprise when FTC rejected the merger proposal on grounds that it realised it was likely to stifle free competition in the four items mentioned. FTC also took the further precautionary step of taking court injunction against the two firms going ahead with the merger, ignoring its recommendation.

(The Japan Times, Tokyo and **The Hindu,** Madras)

[Prev. ref. 8924:JAP:B]

D. Aid To Indonesia: Japan has decided to extend a total of $120 million in economic aid to Indonesia for fiscal 1969.

The Japanese commitment includes $55 million in food aid. Japan has so far loaned some $200 million to Indonesia.

Mr. Shichiro Murai, Director of the International Finance Bureau, Finance Ministry, explained to the Upper House Finance Committee on May 15 that Indonesia had a total debt of about $2,500 million at present. Of the amount, she owed about $200 million to Japan.

He said that of the total amount borrowed by Indonesia, about $1,200 *million came from the Western countries and some $1,300 million from the Communist bloc.*

(The Japan Times, Tokyo)

[Prev. ref. 8496:IND:A]

KOREA (North)

A. President N. Podgorny's Visit: The President of the Soviet Union, Mr. Nikolai Podgorny, paid a goodwill visit to North Korea from May 14 to 19.

Observers attached considerable significance to the visit in view of the ideological quarrel between the Soviet Union and China.

A communique issued in Pyongyang on the conclusion of the visit said the Soviet Union and North Korea re-affirmed their support for non-interference in the internal affairs of "brother parties and brother countries," as well as for other principles governing relations between Socialist States.

According to **Tass,** the **communique** said that Mr. Podgorny had discussed the future development of relations between the two countries during meetings with the Premier, Mr. Kim Il Sung, who is also the First Secretary of the North Korean Workers' (Communist) Party.

Mr. Podgorny supported North Korea's policy on the question of re-uniting Korea, backed the demand for the withdrawal of American forces from South Korea and called for the dissolution of the so-called United Nations Committee for the Re-unification of Korea (UNCRK).

The two parties also re-affirmed their support for the struggle of the Viet-Namese people as well as for the peace plan submitted by the North Viet-Namese and South Viet-Namese NLF delegations to the Paris peace talks.

(The Times of India, New Delhi and **Tass)**

[Prev. ref. 7308:KRN:A]

KOREA (South)

A. Death Penalty For North Korean Journalist: A North Korean journalist, Mr. Soo-Kuen Lee, who was arrested in Saigon in January, 1969 after acting as an under-cover agent for 22 months in South Korea, was sentenced to death in Seoul on May 10.

The Seoul district court accepted prosecution charges that Mr. Lee *(45), former Vice-President of the* North Korean Central News Agency, defeated when he crossed the border at the armistice village of Pan Mun Jon in March, 1967.

Senior Judge Sang-Won Lee told the court that the journalist as an agent of North Korea had betrayed the nation.

Five other defendants were sentenced to prison terms ranging from 18 months to six years for assisting Mr. Lee.

(The New York Times)

[Prev. ref. 7691:KRS:A]

LAOS

A. North Viet-Namese Envoy Meets Prince Souvanna Phouma: North Viet-Nam's special envoy, Mr. Le Van Hien, met the Prime Minister, Prince Souvanna Phouma, in Vientiane in the third week of May.

Western newsmen quoting high-ranking Laotian Government sources said that Mr. Le Van Hien had told the Prince that North Viet-Namese forces might withdraw if the United States stopped bombing Pathet Lao-held areas in the North. There were no independent suggestions that USA would stop the bombing, which was directed against routes including the so-called Ho Chi-Minh Trail, over which the North Viet-Namese reportedly send men and supplies to South Viet-Nam.

In a Press interview later, Mr. Hien described his visit to Laos—the second in nearly four years—as a "special mission." "I have tried to strengthen the ties between our two Governments."

He said that before leaving Laos he would meet Mr. Pheng Phongsavan, the Minister of the Interior and Vice-President of the neutralist Party, who is regarded as the only original member of the 1962 coalition who has preserved his neutralist stance.

He also expressed North Viet-Namese support for Prince Souvanna Phouma. "We have always recognized the Premier as head of the tripartite coalition," he said, reversing a policy that until recently had led all North Viet-Namese diplomats in Laos to avoid contact with the Premier and his Government.

The **North Viet-Nam News Agency** reported on May 12 that King Savang Vatthana had spoken of good relations between Laos and North Viet-Nam in a message to President Ho Chi-Minh.

(The New York Times)

[Prev. ref. 8828:LAO:A]

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BURMA

A. **National Unity Advisory Committee's Report:** The 33-member National Unity Advisory Committee, appointed in December, 1968 to present by May 31, 1969 constitutional proposals for achieving lasting national unity, has submitted its report to the Government.

Among the members of the Committee are the former Premier, U Nu and U Ba Swe, and the ex-President, Mahn Win Maung.

Addressing a meeting of the Committee on June 2, the Chairman of the Revolutionary Council, Gen. Ne Win, said the Government would study the report with great care and "would do whatever is necessary." He preferred to call this report a "document" instead of a "report" as the latter connoted the submission of a proposal from an inferior to a superior entity.

Speaking about the **interim** proposal of the Committee, presented on February 5 for the formation of a provisional national Government, he said such a move would serve no useful purpose unless the goal of the Government and the means of achieving it had first been agreed upon.

He said that former political Governments came to grief precisely because they lacked a specific goal and an agreed means to achieve it. "This does not mean we want to monopolize political power", he said, adding that when the present proposals were submitted to the people and their decision taken on things like policy and programme, everyone would have a share of political power.

Later in the day (June 2), the Government released the Committee's report. The 64-page report contains two alternative proposals—one for democratic socialism and the other for socialist democracy.

The proposal for democratic socialism, made by 17 members of the Committee including Mahn Win Maung, envisages the transformation of Gen. Ne Win's Revolutionary Government into a Union National Government with members drawn from the Army, national minority races, former politicians and other suitable people.

A Union National Front is also to be formed on similar lines by Gen. Ne Win to draft a Constitution for a "Republic of the Union of Burma". This draft will be the basis of a final draft to be prepared by the Union National Government. The people's acceptance of this final draft will then be secured through presentation to a Constituent Assembly or through direct referendum. Before this last step is taken, party politics are to be allowed within the frame-work to be determined by the Union National Government.

To achieve internal security and peace, the proposal envisages negotiations with underground insurgents at the appropriate time and release of deserving political prisoners.

On the subject of national economy, the proposal recommends the introduction of "mixed economy" and the retention of only key sectors in production, commerce and transport for State operations.

It also recommends review of all nationalized industries by an expert committee and the exemption of certain business owned by Burmese nationals from nationalization. Such exemption should carry a 15-year guarantee.

U Kyaw Nyein, one-time Deputy Premier, and two others recommended a unitary State.

The proposal for socialist democracy, made by only seven members of the Committee, envisages the holding of a "national unity convention" to draw up a "common national programme". A "National Unity Front" is also to be created by Gen. Ne Win to carry out that common national programme. The Burma Socialist Programme Party of the Revolutionary Government and the newly-formed National Unity Front with them together constitute a National Unity Government.

Concern At U Nu's Activities:

Meanwhile, in a talk to men of the 77th Division taking part in successful operations against Communist rebels recently, Brig. San Yu, Vice-Chief of Staff and member of the Revolutionary Council, claimed that certain elements ousted from political power had been trying to use religion to stage a come-back.

Observers said the reference was to U Nu, who had lately given several public lectures on Buddhism in Rangoon, Mandalay, Moulmein and other large towns. His appearances had drawn large audiences.

[U Nu subsequently announced in a Press interview in Bombay where he had gone in the course of a tour of sacred Buddhist places in India that he would like to settle down in India as a missionary.]

Brig. San Yu's remarks, according to observers, revealed that the Government viewed U Nu's religious meetings with real concern and virtual disapproval. The Press followed up his remarks with condemnation of the former Premier's speeches.

The Guardian (Rangoon) asked: "Does any one in his senses sincerely expect the people to wish for a revival of a system (U Nu's parliamentary democracy) which bred regional bosses who committed heinous crimes with impunity and which...gave a free hand to foreign commericialists, specifically the Indians and Chinese, who placated the political chiefs with generous donations?" This was a thinly veiled reference to U Nu who had received large donations from foreign commercial interests when he built the World Peace Pagoda and the sacred Buddhist Cave while still Prime Minister.

(**The Statesman,** Calcutta and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8787:BUR:A]

B. **Government Takes Over Printing Presses:** The Government took over on May 16 four more printing presses in Rangoon, including the **Rangoon Gazette** of pre-War days.

The nationalization of these presses had been expected ever since the take-over of 12 similar presses in March.

The statistics of nationalization since the Revolutionary Government assumed power in 1962 are as follows:

Altogether 31 banks (both foreign and Burmese-owned), 52 saw-mills, 124 cinema halls, five newspapers, seven cigarette manufacturing firms, 24 shipping companies (both Burmese and foreign-owned), 814 private schools (including missionary schools), seven private hospitals and 168 miscellaneous industrial and manufacturing concerns were taken over by the State.

In addition, the Government had nationalized the Army-financed Burma Economic Development Corporation (BEDC) and its 42 subsidiary firms and factories, the Burma Oil Company and the oil industry, the Burma Pearls and Fisheries Syndicate, the Burma Corporation Ltd (which worked the Bawdwin lead mines), and the Burma Unilever Soap Factory.

The Government had also acquired the monopoly of foreign trade, a good proportion of the integral distribution trade, and of mining 18 specified kinds of gems.

(**The Statesman,** Calcutta)

[Prev. ref. 8871:BUR:A]

C. Thai Fears Of Chinese Infiltration Scouted: The Press has scouted fears of massive infiltration of Chinese forces into Northern Burma as expressed by the Thai Foreign Minister, Mr. Thanat Khoman, in Bangkok on May 8 (see page 8999).

To most people in Burma, the report became known only when a columnist gave a full translation of a BBC commentary made three days later on Mr. Thanat Khoman's views.

The commentator said that Kachin State in Northern Burma had been in an unsettled state since Burma attained Independence (21 years ago). Kachin insurgents had been known to seek aid from China and to send their men to China for training. Chinese soldiers had also been known to enter Northern Burma, and Kachin villagers had been moving freely in the Sino-Burmese border region. Therefore, he argued, Mr. Thanat Khoman's allegation that China had "constructed battalions" in Kachin State seemed a bit exaggerated and reflected the Thai apprehension about possible developments in the region in future. The Thai Minister's statement, he explained, might have been an attempt "to prepare world opinion against Peking and Hanoi on the eve of the S-EATO Conference and the meeting of the allied Powers of the Viet-Nam war."

The Burmese Press promptly discredited the report. The **Rangoon Daily,** for example, argued that if the story were true, the news should have come straight from the countries concerned, namely, Burma and Laos. And even if the Thai Foreign Minister wanted to be the first with the news, he should have sought prior confirmation from the Governments of these two countries. As he had failed to do so, his "irresponsible words" would fail to carry much weight in the countries concerned.

The paper added that China had no reason to send her forces into Burmese territory, and if she should do so, she would be guilty of aggression. What Peking had been doing was merely to voice support for the insurgent Burma Communist Party and to give training to Burmese Communists in China.

A staff columnist writing in the official **Working People's Daily** (Burmese language) viewed the entire matter from a slightly different angle. "If there had been massive Chinese infiltration into Kachin State, the news should have come from that State, but why should it come from Bangkok through the mouth of the Thai Foreign Minister?" he asked. "And why did the BBC take upon itself the *trouble of explaining* away the possible motive of the Foreign Minister in making his alarmist report?"

The columnist questioned the good faith of the BBC itself over the comment that Kachin State had been in trouble since Burma gained Independence. "Does it mean to say that the Kachins have been dissatisfied since the departure of the British? Would it not be more correct to say that Kachin disaffection began only from the time the issues of State religion and Federalism disrupted national unity?" (These controversial constitutional issues were hotly debated during the time of the former Prime Minister, U Nu).

(**The Statesman,** Calcutta)

[Prev. ref. 8587:BUR:A, 8999:THI:A]

D. Citizenship For Foreigners: The Government has announced that citizenship will be granted to 60,000 foreigners living in Burma.

This has been viewed by observers as a direct consequence of the visit to Burma in March of the Indian Prime Minister, Mrs. Indira Gandhi. The majority of foreigners in Burma are Indian.

The largest concentration of Indians is in Zeyawaddy (35,000) and Kyautaga (25,000) in the Pegu division. The inhabitants of these two towns are mainly peasants, the Indian population's ancestors having migrated about a century ago.

The official **Working People's Daily,** commenting on the Government decision, said: "We are quite willing to treat foreigners as friends, or to leave them alone as long as they do not interfere in our affairs, usurp our economy or infringe our national independence." As for foreigners who desired to be nationals of Burma, the newspaper said: "Mere declarations, verbal or in writing, are not sufficient; they must identify themselves in all national activities for national welfare."

(**Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8907:BUR:A]

CAMBODIA

A. West Germany Closes Embassy: West Germany announced on June 4 the closing of its Embassy in Cambodia in retaliation for Cambodian recognition of East Germany (see page 9003).

[In another development in Bonn the same day (June 4), the West German Foreign Minister, Mr. Willy Brandt, received the Rumanian Deputy Foreign Minister, Mr. Gheorge Macuvescu, whose country had maintained diplomatic relations with East Germany for years. The explanation of this anomaly given by a West German Government spokesman at a news conference was that the Bonn authorities reserved the right to determine who was friendly and who was being hostile towards the divided German nation. This was the original meaning of the so-called Hallstein doctrine of 1955 which stated that the countries that recognized the East Berlin **regime** committed an "unfriendly act" towards Germany as a whole. It was named after Walter Hallstein.]

Earlier, on May 14, the Head of State, Prince Norodom Sihanouk, told a news conference that West Germany had shown "Big-Power chauvinism" in its reaction to Cambodia's diplomatic recognition of East Germany. He said the Bonn reaction indicated that economic aid to Cambodia might be suspended. But, he added: "We accept the stopping of this aid with a light heart."

Meanwhile, in a telegram to the Chairman of the Council of State of the German Democratic Republic (East Germany), Mr. Walter

Ulbricht, the Prince expressed the hope that relations between Cambodia and GDR would be further strengthened.

Referring to the decision to raise the status of relations to Ambassadorial level, the Prince said: "We wish that this decision may serve Cambodian-German friendship and lead to the strengthening of co-operation between our two States. I am glad to be able to express once again on this occasion our heartfelt gratitude for the unreserved support which GDR extended to our policy of complete independence, neutrality and territorial integrity."

After extending diplomatic recognition to GDR, Prince Norodom Sihanouk sent his Foreign Minister, Mr. Norodom Phurissara, on an official visit to GDR in response to an invitation from the East German Foreign Minister, Mr. Otto Winzer. This was the first visit by a South Asian Foreign Minister to GDR.

(The New York Times and Trade Representation of the German Democratic Republic, New Delhi)

[Prev. ref. 9003:CAM:B]

CEYLON

A. National **Youth Service** Scheme: A National Youth Service Scheme was formally inaugurated on April 26 by the Prime Minister, Mr. Dudley Senanayake, at Kota Vehera, the birthplace of the 12th century Sinhalese King, Parakrame Bahu the Great.

Under the Scheme, young men and women would be engaged in development work and given a token payment of Rs. 3 for each day's work. A year's satisfactory performance would entitle each youth to a place in residential training centres where he or she would be equipped with a skill that would build a career.

Mr. Senanayake asked the youth to nurture a sense of loyalty and dedication to the country. Despite Ceylon being free for 21 years after four centuries of foreign domination, she was still unable to claim total independence because there were several ingredients of freedom which were lacking. His Government, during its present four-year regime, was attempting to rectify this state of affairs primarily through the food drive, which had proved to be a tremendous success, and was now implementing various other development projects.

He said sowing of seeds of dissension and hatred was one of the biggest stumbling blocks the country had to contend with. But his Government had overcome it.

The problem of unemployment, though it looked formidable, required only a simple formula for solution, and that was national development. His Government was trying to solve this problem.

The Mahaweli diversion scheme, the plans for which he finalised recently, would bring a further 10,00,000 acres of paddy fields under cultivation. The country now had 5,00,000 acres under the plough and this new venture would bring new prosperity to the land. It would also help solve many problems the country was faced with today.

(The Ceylon High Commission, New Delhi)

[Prev. ref. 8503:CEY:B]

CHINA

A. **Syrian Military Delegation's Visit:** A Syrian military delegation visited Peking from May 13 to 21.

Commentators in Beirut said the visit was part of Syrian efforts to secure arms, including missiles, from Peking as it had failed to obtain them from Moscow.

The Syrian Chief of Staff, Gen. Moustapha Tlas, who led the delegation, had talks with Chinese leaders including the Prime Minister, Mr. Chou En-lai.

Speaking at a reception on May 21, the Chief of the General Staff, Gen. Huang Yung-sheng, declared that the Chinese armed forces would do "everything possible" in the Arab struggle against Israeli aggression. He hoped relations between the armed forces of the two countries would further develop "in our common struggle against American imperialism, Soviet revisionism and their lackeys." It was China's international duty to help those peoples who were "struggling for liberation."

Gen. Tlas said that Syria "placed no hope" in the November 22, 1967 resolution of the United Nations Security Council on West Asia because the resolution was "fundamentally in the service of Israel and designed to perpetuate Israel's settlement in the heartland of the Arab nation."

He said Syrians were determined to rely first on themselves and then on their friends, especially China, for the common struggle against "imperialism" as the foundation of friendship between China and Syria.

He said Chinese policy on Israel was regarded by 100 million Arabs "as an expression of the true revolutionary spirit."

(The Statesman, New Delhi and **The Baghdad Observer)**

[Prev. ref. 7764:SYR:B]

FORMOSA

A. **World Bank Loan For Railways:** The World Bank announced on May 28 a loan of $31.2 million to Formosa in continuance of its support to the programme of expansion and modernization of the railways operated by the Taiwan Railway Administration (TRA).

This was the Bank's third loan for the railways. A loan of $20 million made in 1965 was intended to cover TRA's foreign exchange requirements for the four-year period 1965-68. Traffic increased at twice the rate originally expected and in 1968 a second loan, of $17.5 million, was made to finance equipment urgently needed in 1967 and 1968.

The rapid growth of the Island's economy, particularly in the industrial sector, had led to an increased demand for public services. Transportation and electric power were the most crucial. Inland transport requirements were mostly concentrated within a corridor extending 250 miles along the western plain and containing most of the country's large cities. TRA's main railway line passed through this corridor serving 80 per cent of the population. A shorter and separate line through a narrow valley served the east side of the Island. The railways carried the bulk of the freight traffic and about half the long-distance passenger traffic. Road transport was still largely confined to short distances and local traffic.

TRA had now drawn up a revised capital investment plan for the period 1969-72 and the new Bank loan would be used for expenditures on high priority items to be imported during 1969 and 1970. TRA's total expenditures during those two years would amount to $86 million, of which $54 million would be in foreign exchange.

The new Bank loan would pay for the acquisition of 18 diesel electric locomotives, 268 passenger cars, 600 freight cars, track, signalling and workshop equipment, and various miscellaneous items, and the foreign exchange costs of consultants' services and staff training. The consultants would make a feasibility study of the electrification of TRA's main line, introduce a modern traffic cost accounting system, and help to establish a railway planning unit for which some TRA staff would be trained abroad.

The loan was made for 15-1/2 years, including a 3-1/2-year grace period, with interest at 6-1/2 per cent. The Government would re-lend the proceeds to the Taiwan Railway Administration on the same terms. The New York agency of the Bank of China was participating in the loan to the extent of $100,000.

(World Bank Press Release)

[Prev. ref. 6519:FOR:A]

MONGOLIA (Outer)

A. President N. Podgorny's Visit: The Soviet President, Mr. Nikolai Podgorny, visited Mongolia from May 20 to 24.

An official **communique** issued in Ulan Bator on May 25 said he had exchanged views with Mongolian leaders on a wide range of issues. *The talks "confirmed the complete identity of views of the two sides in their appraisal of the present international situation."*

It accused China of "Great-Power chauvinism" and condemned Peking for the border incidents with the Soviet Union.

It said that the "aggressive imperialist forces are stubbornly trying to hinder mankind's advance along the road of peace and social progress, are aggravating the international situation and creating dangerous hotbeds of armed clashes in various parts of the world."

It said: "USSR and the Mongolian People's Republic condemned the continuing aggression of the United States and its allies in Viet-Nam. The two sides believe that the troops of the United States and its allies must be unconditionally and completely withdrawn from South Viet-Nam.

"The sides again strongly condemned the Israeli aggression and stated that first of all the aggressor's troops must be withdrawn from all occupied Arab territories in order to ensure a relaxation of tensions in the Near East.

"The two sides expressed their full support for the just struggle of the Korean Democratic People's Republic and the Korean people for a peaceful unification of their country, for a withdrawal of American troops now occupying South Korea.

"The two sides expressed the conviction that the Great-Power chauvinistic course of the Chinese leadership damages the struggle of socialist countries and all genuinely revolutionary forces against imperialism and its aggressive designs. The provocations staged by the Chinese authorities on the Soviet-Chinese border are proof of the adventurism of the Chinese policy directed at aggravating international tensions.

"The recognition of the fact of the existence of two German States—the GDR and the FRG—respect of the inviolability of the existing borders in Europe, renunciation by the FRG of its claims to represent the entire German nation, the renunciation by the FRG of its intention to possess nuclear weapons, the development of extensive and mutually advantageous co-operation between all European States are, the sides believe, a prime condition of preserving and ensuring European security.

"Coming out for the speediest implementation of the Treaty on the non-proliferation of nuclear weapons, the Governments of the Mongolian People's Republic and USSR stated their readiness to exert further efforts directed at ensuring general and complete disarmament, which is an important condition of establishing durable peace.

"The two sides unanimously stressed the great importance of the *forthcoming Conference of Communist* and Workers' Parties in Moscow for the further strengthening of the cohesion of the world communist and workers' movement on the basis of Marxism-Leninism and proletarian internationalism.

"The two sides expressed firm conviction that the international communist movement will rally its ranks even more closely and score new successes in uniting democratic and progressive forces of the world into a single anti-imperialist front."

(The Times of India, New Delhi and **Tass)**

[Prev. ref. 8166:MON:A]

NEPAL

A. Gorkhas Being Recruited In Chinese Army: It was disclosed in Khatmandu on May 28 that even as the British Government was steadily reducing the number of Gorkhas in its defence forces, China was showing increasing interest in recruiting them in the Red Army.

The Nepal Government, however, had shown little interest in the reported Chinese desire to enlist Gorkha soldiers. Nor would it relax its present policy prohibiting recruitment, directly or indirectly, of Gorkhas in the armed forces of any foreign Power. Whatever arrangements for such extra-territorial recruitment exist at present would be allowed to lapse.

This policy would be adhered to even in the case of the British Government, with which Nepal had had a long-standing arrangement for Gorkha participation in the British Army. The Gorkhas had formed a prized component of the British Army for many decades.

[The British Government, which had decided to withdraw gradually from the Asian region and the Indian Ocean, began to reduce the size of the Gorkha component in its armed forces. From about 200,000 during World War II the strength of Nepali Gorkha troops in the British Army had fallen to 15,000, and with further demobbing, there would be hardly be more than 10,000 of them left to fight under the Union Jack. The last instalment of demobbing of 5,000 Gorkhas took place in April this year. At the same time, the British Government had launched a number of projects in Nepal for the rehabilitation of Gorkhas demobbed from its forces.]

(The Statesman, New Delhi)

[Prev. ref. 8166:NEP:C]

B. Stainless Steel And Synthetic Fibre Industries — Foreign Exchange Frozen: On May 27, Nepal froze the foreign exchange allocation for indigenous entrepreneurs turning out synthetic fibre and stainless steel items at factories located on the India-Nepal border.

This was done to comply with the agreement arrived at with India to restrict the flow of these items into India to the 1967-68 level.

The agreement, worked out by the joint inter-Governmental Committee on Trade in November, 1968, envisaged that fibre exports should be limited to 2.2 million metres valued at Rs. 1.12 crores, and stainless steel items to 630 tons valued at Rs. 2.32 crores.

Despite this agreement, which Nepal claimed to be implementing in good faith, misgivings continued to be voiced by affected Indian interests. This had caused a good deal of resentment in Nepal, where the authorities had informally protested to Indian Government representatives over the provocative tone of some Indian trade advertisements on this subject.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8992:INI:B]

C. **Unsuccessful Bid To Climb "Annapurna":** It was disclosed in Khatmandu on May 28 that a nine-member German expedition to the Annapurna had finally given up its bid to climb the 26,657-foot peak.

The expedition had made two attempts to scale the mountain on May 13 and 19 but had failed both times owing to unfavourable weather and mountain conditions.

"Deotiba" Peak Climbed:

A five-member Japanese team succeeded in climbing the 19,687-foot **Deotiba** peak.

The party included one Indian, Capt. N. P. Raja, and three Sherpas, who also climbed the peak. The Japanese members were Akiraokoyama, Y. Kawasakin, Y. Kawaguchi, K. Yano and S. Sirahata.

(**The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8975:NEP:C & D]

PAKISTAN

A. **Consortium Aid:** Members of the Aid Consortium, at a meeting called by the World Bank in Paris, on May 20 decided that in 1969-70 Pakistan could effectively use external aid totalling $500 million on suitable terms from them.

Half of this aid would be in the form of non-project assistance.

It was agreed that the terms should take into account Pakistan's ability to reduce external debt. Some members indicated a move in this direction and it was decided that the question should be studied further by the Consortium.

A World Bank **communique** said that the Consortium members commended Pakistan's performance in the face of difficult problems of economic management and pointed out that despite recent disturbances the total output had increased by nearly six per cent and agricultural production by about five per cent. Exports were up by nearly 10 per cent and industrial production by more than eight per cent.

The Consortium members, the **communique** said, were interested in the measures and policy changes envisaged in preparing the annual plan for 1969-70 and the Fourth Five-Year Plan.

France was among the members who were able to pledge their contribution which will remain unchanged at the level of $15 million. Other figures were not disclosed.

The participants of the meeting were Belgium, Canada, France, West Germany, Italy, Japan, the Netherland, Sweden, Britain, USA as well as representatives of the World Bank.

Annual Plan Approved:

Earlier, on May 7 in Rawalpindi, the National Economic Council—the supreme body in economic matters—approved the annual development Plan, aiming at a 6.5 per cent growth rate of 7 per cent for East Pakistan, and 6 per cent for West Pakistan.

The Gross National Product (growth rate) in 1968-69 has been estimated at 6 per cent, which means the target for the next year is one per cent higher.

The Council approved the following targets for the Annual Plan for 1969-70:

Agriculture: Wheat—seven million tons, against 6.5 million tons this year; rice (East Pakistan)—12.3 million tons, against 10.9 million tons this year; rice (West Pakistan)—2.3 million tons, up from 21.1 million tons; cotton (West Pakistan)—3/2 million bales, up from three million bales; jute (East Pakistan)—seven million tons, up from 5.9 million tons.

Industry: All manufacturing industry 10 per cent, growth, large scale industry 12 per cent growth.

Exports: An increase of nine per cent to a figure of Rs. 450 crores, compared to Rs. 412 crores actual for 1968-69, against a target of Rs. 415 crores. The actual exports in 1967-68 were Rs. 375 crores.

The Secretary of the Planning Division, Mr. Qamrul Islam said East Pakistan continued to face certain problems. Among these he listed: (1) stagnation in agriculture, (2) lack of the proper level of private enterprise and investment, and (3) transport bottlenecks.

(**Dawn,** Karachi)

[Prev. ref. 8380:PAK:J, 8500:PAK:B]

QATAR

A. **Talks On Federation Of Persian Gulf Emirates:** The Supreme Council of the Federation of Persian Gulf Emirates met in Qatar from May 6 to 14 and discussed the structure of the Federation.

A **communique** issued at the close of the discussions on May 14 said: "A President and Vice-President of the Federation will be elected for a term of two years.

"The present Federal Council will be replaced by a Council of Ministers of 13 members.

"The Federation will have a common flag for international representation and each Emirate will retain its present flag.

"A commission composed of jurists and experts has been created to draw up a provisional Constitution to be ready in two months."

The Council also approved the creation of two new commissions—one to be concerned with emigration and nationality and the other to co-ordinate "organs of information."

Several other items on the agenda were discussed without any decisions being reached. These included choice of a capital for the Federation, creation of a National Consultative Assembly and questions of defence.

At the end of the meeting, several delegates expressed disappointment about slowness of the progress and said setting up of the Federation risked being blocked because of what they described as the stubbornness shown by certain Emirates, including Bahrain, regarding their prerogative within the Federation.

The next meeting of the Federal Council will be held at Abu Dhabi at a date to be fixed later.

Earlier, on May 10, the Supreme Council decided to apply for UN membership.

It also decided to form a common Federation Army based on the local troops formerly led by British officers and known as the "Trucial Scouts." The Army will receive the technical and arms equipment of the British land, sea and air forces stationed in the area.

[The rich oil-producing areas—the Emirates of Bahrain and Qatar, as well as the Sheikhdom of Abu Dhabi—are resisting the plan to put all their funds into a common pool and use them for the Federation as a whole. Side by side with the oil Emirates which live in untold wealth are territories which have no income whatsoever. The Federation of what will be the 15th Arab State will include the nine Arab territories along the Persian Gulf still under British protection, the Emirates of Bahrain and Qatar and the seven Sheikhdoms along the Trucial Coast.]

(**The Egyptian Gazette,** Cairo and **Dawn,** Karachi)

[Prev. ref. 8407:BHR:A]

SYRIA

A. **President N. Atassi Forms Leftist Government:** The President, Mr. Nureddin Atassi, on May 29 formed a new broader Leftist Government to bring about domestic reforms and seek union with the UAR, Iraq and Algeria.

But the new Cabinet structure spelt out no change in Syria's foreign policies or its rejection of a peaceful settlement of the Arab-Israeli crisis.

The 27-member Cabinet was dominated by the Arab Socialist Baath Party which had been ruling Syria since 1963. Two-thirds of the seats went to Baathist leaders including Mr. Atassi who retained the Prime Ministership, and Air General Hafez el Assad, Commander of the Air Force, who retained the Defence Ministry.

(Damascus Radio)

[Prev. ref. 8641:SYR:A]

TURKEY

A. **Restoration Of Rights To Democrats:** The National Assembly, by a two-thirds majority on May 14, amended the 1961 Constitution restoring to the former members of the Menderes regime, and the men who had been sentenced at Yassada, the political rights denied to them. They were made eligible for public office.

As a result of the amendment, a former President, Mr. Celal Bayar, and 200 other leading members of the Democratic Party who had received harsh sentences after the 1960 **coup d'etat** (see page 3416) were given back all their political rights.

Mr. Bayar (84) is eligible to sit in the Senate immediately (by terms of the Constitution, former Heads of State are automatically life-time members of Parliament). But Mr. Bayar, who had been sentenced to death and then reprieved, said that since he had not been duly elected by the people he would not take advantage of his right. However, it was thought certain he would run for Parliament at the next elections and would almost certainly win a seat.

The amendment was proposed by members of Prime Minister Demirel's Justice Party and supported by virtually all the Opposition headed by former President Ismet Inonu.

(The Egyptian Gazette, Cairo)

[Prev. ref. 3416:TUR:A, 4039:TUR:A]

ASIA OUTSIDE ASIA

A. **"Apollo-10" Orbits Round Moon Close-Range And Returns:** The **Apollo-10** to orbit the Moon for eight days and with a lunar module **Snoopy** fly within 15 kilometres of the Moon, to prepare the ground for the landing of two men on the planet in July or August, landed on May 18, successfully performed its mission to a 110 per cent degree and splashed down in the Pacific Ocean near Pago Pago at early dawn on May 26.

The crew consisted of Air Force Col. Thomas P. Stafford, Navy Commander J. W. Young and Navy Commander Eugene A. Cernan.

Apollo-10 crashed into the Earth's atmosphere at 36.310 feet per second (39.850 km or 24.760 miles an hour).

Before plunging into the atmosphere, it jettisoned its service module containing the main engine, leaving the command capsule alone over the western Australian coast.

The spacecraft made its perfect splash-down in full view of the recovery carrier **Princeton.**

A recovery helicopter landed the astronauts on the **Princeton** 12 minutes after their recovery from the space-craft. A red carpet was rolled out for them.

All the three men emerged smiling and waving to their rescuers and to a world television audience.

Col. Thomas Stafford said: "First of all, it's great to be back on Earth. We thank all on Earth who helped our tremendous team effort and we hope we have added to man's knowledge."

The "better than perfect" mission of **Apollo-10,** as space officials described it, it was said, opened wide the door for an American landing on the Moon on July 20.

NASA spokesmen said that the eight-day trip to the Moon and back, **Apollo-10's** loops around the Moon and the swoop down to 9.4 miles above the lunar surface by the Moon-landing module added up to the "best year" in USA's space programme. Excellent performance by the two-seated lunar module, with Col. Stafford and Cmdr. Cernan inside was the high point of the mission.

Apollo-10 was launched on May 18 from Houston. The **Saturn-5** rocket engines, the world's mightiest, thundered to life and bathed the launch complex in fire. The spacecraft—with its human cargo strapped inside the tiny command module cone on top—stood motionless for nine seconds while the rockets strained to their peak of power.

The space-craft was speared into a 115-by-118-mile Earth orbit. The crew rode in orbit aboard the command module at the head of a bullet-like space-craft that included the lunar model—housed in petal-like aluminium panels—and the S4B third stage booster rocket. For three days the three space-men soared outward on a quarter-million-mile journey across trackless space and then fired themselves into an orbit 69 miles above the lunar surface.

During 2½ days of circling the Moon, Col. Stafford and Comm. Cernan flew a spidery lunar landing craft to within 50,000 feet of the surface, scouting the site where two **Apollo-11** astronauts would land on July 20. They dropped the descent stage of the lunar module, fired the ascent stage engine to lower their orbit and flashed again behind the Moon. There, they fired the rocket engine again to line them up for rejoining Comm. Young in the command module. Two more rocket bursts brought the two space-craft to a rendezvous and Comm. Young guided the command module to a final linking. Col. Stafford and Comm. Cernan crawled back into the command module and the lunar module separated, ignited its engine on signal and rocketed out of sight into a solar orbit.

Then, **Apollo-10** crewmen spent another day in orbit about the Moon, performing photography experiments and gaining vital data about navigation around the Moon. After some 60 hours of circling the Moon, the crew started the longest trip home.

The Moon is farther from Earth now than it was during the December, 1968 Moon flight of **Apollo-8.** They then fired the service propulsion engine to break the gravitational lock of the Moon and flashed towards the Earth 423,000 kilometres away. It took 54 hours to return to Earth. The space-craft came scorching back into the Earth's atmosphere at more than 37,000 km an hour for a landing in the South Pacific not far from American Samoa.

LEM Descends To 9.3 Miles Above Moon:

The lunar landing craft (LEM), carrying Col. Thomas P. Stafford and Comm. Eugene Cernan, undocked from the **Apollo-10** space-craft on May 23, starting the final phase of man's closest approach to the Moon. Comm. John Young stayed behind in the command ship, ready to rescue the lunar module, if necessary, during their eight-hour separation and LEM's descent to 9.3 miles over the surface.

A problem in alignment of the two space-craft in the docked position had developed just before the scheduled undocking manoeuvre. **Apollo-10** was behind the Moon and out of ground contact at the scheduled time of separation.

The hazardous LEM manoeuvre provided the climax of the **Apollo-10** mission.

During the eight hours the mother ship and the Moon taxi were separated, Col. Stafford and Comm. Cernan descended to within 15 km of the Moon. They gathered data, took pictures and conducted radar tests which were considered vital to the July, 1969 landing attempt.

The lunar module went out of control briefly just before the second low pass over the Moon. Col. Stafford and Comm. Cernan separated the upper stage of the craft and suddenly found themselves in trouble.

The small space-ship started rolling wildly. First indication of the trouble was a surprised "son of a bitch" exclamation from Comm. Cernan. Col. Stafford later said the lunar module "just took off on us."

Officials later said the uncontrolled roll was caused by a switch being in the wrong position. Ground controllers said the switch was omitted from a check list read up to the lunar module crew earlier.

When told of it, Col. Stafford said: "Okay, we'll try to correct it. I thought we went through the check list as prescribed."

During the eight hours in which Col. Stafford and Comm. Cernan swooped within 15 km of the Moon's surface, **Apollo-10** demonstrated that the lunar landing ship (LEM) will operate in the Moon's environment. It also determined that the landing site chosen for the first American astronauts was smooth enough for a touch-down, but that the pilots would have to be very accurate to avoid surrounding boulders and craters.

It also showed dramatically that man can overcome problems in space and save a mission from potential disaster, where instruments alone might fail.

Less than an hour after the lunar lander docked with the big ship, Col. Stafford and Comm. Cernan crawled back into the command module. The LEM was then kicked off free in space.

They had been as much as 563 km apart as Comm. Young kept the command ship circling at a constant attitude of 111 km.

"Snoopy and Charlie Brown are hugging each other," was the exalted cry of Comm. Young.

Those are the radio code names used by the two vehicles.

"That rendezvous was the best we've ever had," Col. Stafford reported. "We were right up the tail all the way."

It was a rendezvous that almost did not take place. Two-and-a-half hours before the command and lunar modules were to undock, the astronauts reported a problem in depressurizing the tunnel that connects the two. Corrective action to overcome this caused the docking rings between the two vehicles to slip out of alignment by three degrees.

As **Apollo-10** disappeared behind the backside of Moon, out of radio contact for the critical separation, mission control advised the astronauts not to undock if the rings moved another three degrees.

For 40 minutes ground controllers held their breath until **Apollo-10** came around to the front side again. There was elation when tracking picked up two separate objects. Then the word from Comm. Cernan: "We have joined."

Possible Landing Sites On Moon:

On May 22, the astronauts said that the site where the Americans plan to land on the Moon on July 20 was "pretty smooth", and another potential touch-down area further east had "enough boulders to fill up Galveston Bay (in Texas)."

Swooping in the LEM less than 16 km above the two landing sites, Comm. Cernan said the areas were "very distinguishable," thus meeting a prime requirement of being easy to find.

The primary target, named Site-2 and located near the lunar equator, also on the Sea of Tranquillity, he said, "looks pretty smooth, surprisingly enough."

Landing Site No. 2 has been chosen as the spot for **Apollo-11** touch-down more for operational and crew safety than in the interest of science.

Despite risky problems and a hair-raising moment of "gyration," the project officials said they knew of nothing which happened during **Apollo-10's** rendezvous with the Moon to prevent a lunar landing on July 20.

"Everything really performed," said Flight Director Glynn C. Lunney. "I think we have something to learn about using the communications, but we always do."

"As a result of what happened today, our stock has gone up," agreed a high-level source. "There is a feeling of optimism."

Discomfort Caused By Insulating Material:

The astronauts disclosed for the first time on May 23 that they had been itching and scratching, sneezing and coughing in space for the previous three days.

The discomfort of the astronauts was caused by tiny bits of fibreglass insulating material which had broken loose in the space-craft. The loose insulation was from the tunnel and hatch connecting the command and lunar modules. It was apparently blown loose when pressure in the two craft was equalized.

The astronauts also noticed beads of water on a steel rim around the forward hatch. "For that matter the whole tunnel walls are kind of moist," Comm. Young said.

Ground control told the astronauts later not to worry about lack of insulation on the hatch as it had been decided to do away with the material altogether on the next lunar module's hatch.

Major Achievements:

During the eight days in space since their blast-off from Cape Kennedy on May 18, the **Apollo-10** astronauts:

(1) Travelled 250,000 miles to the Moon on a course so accurate that only one adjustment was needed;

(2) Orbited the Moon 31 times;

(3) Performed every phase of a manned lunar landing except the actual touch-down;

(4) Flew the lunar lander **Snoopy** to within 9.5 miles of the lunar surface and linked it up again with the main **Apollo** craft in the first rendezvous and docking in lunar orbit;

(5) Took hundreds of pictures of the Moon which may shed important scientific light on its nature and origin;

(6) Overcame four problems on the crucial day (May 22), including one which might have prevented their undocking for the swoop on the Moon, and another which caused the space-craft to gyrate on one of the lunar passes; and

(7) Perfected Moon navigation procedures which proved accurate enough to allow the **Apollo-11** astronauts to find their landing site.

The **Apollo-10** flight round the Moon has been a "110 per cent success," Flight Controller Glynn Lunney told a news conference on May 26.

Dr. Lunney said that the extra 10 per cent success lay in the way the capsule was navigated and in the sighting of objectives on the Moon and Earth alike.

Previous assessments of manned space flights by NASA were: **Apollo-7**—"101 per cent success; **Apollo-8**—"even better"; **Apollo-9**—"at least 100 per cent."

Commenting on the accuracy of the **Apollo-10** flight path, ground control remarked: "I guess all that mathematics really works after all."

US-Russian Score-board:

With the flight of **Apollo-10,** the United States-Russia man-in-space score-board now reads:

	USA	**Russia**
Manned flights	20	12
Multi-man flights	14	3
Moon orbit flights	2	0
Manned hours in space	4,514	868
Men in space	38	17
Space walks	10	3
Time outside capsule	13 hrs 40 mts	
Rendezvous missions	9	3
Manoeuverable spacecraft	16	3
Space link-ups	11	1

(**The New York Times, The Times,** *London,* ***The Statesman,*** *Calcutta,* ***The Times of India,*** *Bombay,* and **The Hindu**, Madras)

[Prev. ref. 8929:AOA:D]

B. US Economic Assistance For Asia—President R. Nixon's Message To Congress: President Richard Nixon asked the US Congress on May 29 for $625 million for economic assistance to eight nations in South and West Asia, with India and Pakistan earmarked to receive the greatest share.

A total of $399.5 million was sought for India—a sharp boost over the $205.9 million appropriated for the current fiscal year.

The request for Pakistan amounted to $148.7 million—another sharp increase of over $79.35 million in economic aid appropriated for the current year.

Mr. Nixon's message to Congress said that a few years ago, mass starvation within a decade seemed clearly possible in many poor nations, but today "they stand at least on the threshold of a dramatic break-through in food production."

US officials said the figures being sought for India and Pakistan were within the range of the usual US share of assistance to the two countries in conjunction with the World Bank Consortium. In separate Paris meetings, the industrial nations supporting India's economic growth had received recommendations from the World Bank that $1 billion be contributed and the figure recommended for Pakistan was $500 million. During the current year US contributions fell below the customary 40 per cent. of the aid figure.

However, Greece and Turkey were earmarked for a share of $288 million in military assistance which also was being allocated to two other US allies—South Korea and Formosa.

The US contribution to CENTO was held at a mere $350,000, but $5 million were earmarked for regional programmes.

Under the economic aid programme, Turkey would receive $54.2 million compared with $44 million in the current year. Others would include $5 million for Ceylon in development loans, $7.8 million for Afghanistan, largely for technical assistance, and $1.6 million for Jordan, despite the Arab-Israeli dispute. Nepal would receive $2.5 million in technical assistance.

President Nixon also asked Congress for $2.6 billion in foreign aid—about $900 million more than Congress voted last year—saying the sum was "necessary to meet essential requirements now." "Foreign aid must be viewed as an integral part of our overall effort to achieve a world order of peace and justice." The $2.6 billion included $2.2 billion for US economic assistance to the developing countries, $375 million for arms and $75 million to help start a public corporation to promote private investment in developing lands.

The Nixon programme for the new fiscal year, starting July 1, was about $63 million below what President Lyndon Johnson had proposed. "This request for foreign economic and military assistance is the lowest proposed since the programme began" after World War II, the President said, "but it is about $900 million when Congress cut nearly $1.2 billion off Mr. Johnson's programme. I consider it necessary to meet essential requirements now and to maintain a base for future action."

(The New York Times)

[Prev. ref. 8316:AOA:C, 8660:AOA:C]

C. Japan And Outer Mongolia Invited To Disarmament Conference: Disregarding protests by some of the other members, the United States and the Soviet Union on May 23 invited Japan and Outer Mongolia to join the Disarmament Conference when it opened its Summer session on July 3.

The United States, which had proposed the admission of eight new members, including two allies, Japan and the Netherlands, agreed to the two Asian countries because these were the only ones that the Soviet Union was prepared to accept without further consultation.

The decision was not announced by the Conference co-Chairmen, Mr. Adrian S. Fisher of the United States and Mr. Alexei Roshchin of the Soviet Union, until three hours after the Spring session ended, to counter any impression that they had acted arbitrarily.

There was general agreement that Japan, as a great industrial Power, should take part in the negotiations, and it was understood that this would require the admission of a Communist Asian country to maintain the geographical and ideological balance.

However, some members insisted at the closed meeting that Mr. Fisher and Mr. Roshchin should have waited until they could agree on a comprehensive list instead of tackling the expansion problem piecemeal.

Others, including Mr. Nicolae Ecobesco of Romania, insisted that the United Nations General Assembly, which adopted a resolution on December 20, 1961 establishing the "18-nation Disarmament Committee" should give its approval.

Although all the 17 participants in the Conference—France has rejected membership—were picked originally by the United States and the Soviet Union, it meets in the Palais des Nations, Geneva office of United Nations, and is staffed by UN officials.

(The New York Times)

[Prev. ref. 8501:AOA:E]

D. Eugeno Morelli Prize Award To Dr. R. Viswanathan: Dr. Raman Viswanathan, 69-year-old Professor and Emeritus Scientist at the Vallabbhai Patel Chest Institute in Delhi, has been awarded the Eugeno Morelli Prize by the National Academy of Sciences of Italy. He is the first Asian to receive the Prize.

Dr. Viswanathan has been awarded the Prize for his original contribution to the field of chest diseases research. The reward comes as international recognition of his research work over the past many years in distinguishing eosinophilia as a separate clinical entity and describing its pathology.

Only three other medical scientists—Prof. H. W. Knipping of Germany and Prof. Zurini and Prof. G. Daddi, both of Italy—have received the award, made by one of the oldest academies of the world.

Dr. Viswanathan received a cash award of 2 million lira (about Rs. 26,000) from the President of Italy in June.

(The Times of India, Bombay)

E. Indus Valley Script—Further Findings: Dr. Asko Parpola, one of the four Finnish scientists who claims to have disciplined the Indus Valley scripts, said in Copenhagen on May 28 he was well aware that there may be strong repercussions from discoveries that the Indus people were Dravidians who knew about astronomy long before the Mesopotamians, and worshipped astral gods identical to Siva and Krishna.

"The discovery of the astral religion of the Proto-Dravidians compels us to reconsider the whole history of astronomy", he said. He agreed that there may be "some trouble" when Hindus realise that their two main Gods are of Dravidian origin.

The discoveries came over the last few months from the decipherment —by Dr. Parpola, his brother Mr. Simo Parpola, Dr. Seppo Koskenniemi and Prof. Pentti Aalto of Copenhagen's Scandinavian Institute of Asian Studies—of the pictographic Rebus-type scripts left by the Indus Valley civilization (see page 8978). Since then, the brothers Parpola and Professor Aalto had gone on using their key, and now in a second paper, have come up with additional discoveries.

The Indus people, or Proto-Dravidians, did astronomical and astrological calculations long before the Sumerians, or the Babylonians, who have so far been considered the fathers of astronomy.

The scripts also revealed that the Proto-Dravidians practised astro-religion and that the gods Siva and Krishna could be traced back to the Indus civilization and the worship of the planets Mars and Saturn. "There is evidence enough to show that the Indus people worshipped stars and especially planets which were comprehended as malignant demons causing evil on earth."

Dr. Parpola emphasized that he and his Finnish partners in the Indus project did not claim that the Indian caste system originated directly in the Indus culture. "We believe there was a combination of the Indus people's religious and professional distinctions and the social system of the invading Aryans."

(The Hindustan Times, New Delhi)

[Prev. ref. 8978:AOA:H]

F. Asian Development Bank Annual Meeting: The second annual meeting of the Board of Governors of the Asian Development Bank (ADB) was held in Sydney from April 10 to 12 with delegates from 33 countries participating.

Among others who attended were 20 observers from countries which were eligible for, or were considering, membership and from various international organizations.

Opening the session, the Australian Governor-General, Lord Casey, said his country's participation in ADB was a useful and "practical extension of Australia's interest in and knowledge of the countries of the Asian area which have been growing for the past 25 years and which I hope and believe will continue to grow."

Governors' Suggestions:

The comments made by the Governors in their individual statements covered a wide ground and a number of specific suggestions in regard to the Bank's operations was made. Some of the suggestions were:

(1) The ordinary resources of the Bank, at the rate of interest which sound banking principles require, must be ameliorated by "a high mix of Special Funds on concessional terms."

(2) It was of utmost importance that the Bank should formulate a set of operating principles to give concrete and tangible expression to the provisions in the Charter which underlined the importance of paying special regard to the needs of the smaller and less developed countries of the region.

(3) According to current regulations, while suppliers of a recipient country were permitted to participate in the competitive biddings, the Bank would only finance the foreign exchange component of the bids if and when they were awarded the bids. In such cases, it would seem desirable for the Bank to consider financing of the local currency component by providing the equivalent in foreign exchange.

(4) It was hoped that the Asian Development Bank would play a crucial role in the gigantic task of post-war reconstruction and development of Viet-Nam and the post-war adjustment of the economies of a large number of regional countries. As a first step, a general survey of the prospective development needs and problems of the region in the decade of 1970's would be highly fruitful for the formulation of the overall strategy of international co-operation through the Bank. This survey may be carried out as a joint regional venture under the sponsorship of the ADB, possibly in co-operation with other international institutions.

(5) A proper balance in the Bank's lending capacity must be achieved. While the Bank sought to develop the agricultural sector in the region, it must necessarily also seek to develop the manufacturing sectors.

(6) As regards the proposed borrowing in capital markets, the Bank should consider short-term issues which could then be refunded when the cost of money, hopefully, eased.

(7) An exchange of views and information concerning development problems, experiences and techniques among the members of the Bank would be invaluable.

(8) Under the Bank's present policy, a commitment charge would be made at a rate of 3/4 of one per cent on the undrawn amount of a loan and such commitment charge would take effect 60 days after the date of the loan agreement. A more equitable basis for assessing commitment charges would be to relate these to an agreed schedule of withdrawals. Under such an agreement, the commitment charge would operate only to the extent that drawings fall behind the agreed schedule of withdrawals.

(9) The Bank must adopt a more liberal policy in regard to financing of the local cost components of projects, especially in the field of drainage and irrigation, new land development and education.

(10) The Bank should assist member-countries in financing educational projects.

(11) The Bank could consider the possibility of setting up a Special Fund for softening the terms of its normal lending. This Fund could be built up from contributions specially made for the purpose and, in due course, from the profits of the Bank itself.

(12) All the resources of the Bank, whether normal or special, should be available equally for loans to and procurement from all

the developing members of the Asian region.

(13) The ADB should consider the setting up of suitable export credit re-financing facilities. Another useful avenue which the Bank might explore in the interest of promoting the exports of the developing member-countries would be the arrangement of joint financing of projects in the territories of member-countries.

(14) The Bank might consider making greater use of development finance institutions in the countries of the region as intermediaries.

(15) A beginning may also be made by the Bank for preparing for the consideration of the Board of Governors proposals for investment of funds in the equity capital of institutions and enterprises in the developing countries. Such investments were necessary and would be very welcome.

Hong Kong Becomes Member:

Hong Kong joined the Bank as a member on March 27. Hong Kong's entry raised the Bank's regional membership to 20 and the total membership to 33.

Hong Kong has subscribed $8 million to the Bank's capital stock which has consequently moved up to $978 million.

Dutch Contribution:

The Netherlands announced on April 11 that it would contribute four million guilders (Rs. 83,16,000) to the agricultural special fund of the Asian Development Bank.

The Dutch Ambassador to the Philippines, Mr. G. T. Dissevelt, who was his country's Alternate Governor to the Bank, said the contribution would be made on a grant basis.

He told the Bank annual meeting that the Netherlands believed contributions to international institutions should be untied. The Dutch contribution would not be tied when used for procurements from developing countries. But its use for procurements from developed countries would be restricted to those member-countries which had contributed to special funds on terms no less favourable than the Netherlands.

He said Holland planned to make similar contributions in the next two years.

The Dutch offer and the US Treasury Secretary, Mr. David Kennedy's promise that proposals for special fund aid would go before Congress "this legislative year" came amid calls from several developing countries for more special fund aid.

To date, only Japan, Canada and Denmark had contributed.

Australia's Treasurer, Mr. William McMahon, said that his Government might review the question of making contributions to the special fund. Australia had not made any special contribution so far in the light of its heavy initial contribution to the Bank's funds.

The Governor for Finland, Mr. Tank Mar Horn, head of the Commercial Department of the Ministry of Foreign Affairs, said Finland was already committed to make technical services available on a grant basis.

In addition, it was now prepared to extend this offer to include the financing of Finnish consultants and consulting engineers to carry out particular feasibility studies and project analyses.

Mr. T. Watanabe's Closing Remarks:

In his closing remarks, the ADB President, Mr. Takeshi Watanabe, emphasized the importance of economic priorities. He said: "The characteristics that are peculiar to Asia dictate that Asian nations must find their own paths to regional co-operation and I assure you that the Bank will endeavour to play its due role in this effort.

"We are striving for as great a degree of flexibility as is consistent with our Charter and our principles. Many of the Governors have also made proposals for Bank activities in various fields. I have made note of these numerous proposals for actions, and I will examine them carefully.

"We are aware of the complexity of the development process and of the inter-connexion amoung the economic and social elements of growth. Many Governors have pointed out the possibilities of Bank action in some of these social aspects, most notably education. We would be happy to explore with your Governments the area of educational activities in which the Bank can make a contribution."

Accomplishments Of Session:

The specific accomplishments of the session were:

(1) A decision to set aside 10 per cent of the present unimpaired paid-in capital of the Bank paid pursuant to Article 6.2 (a) of the Bank's Charter for its special operations. On the basis of the paid-in capital as of December 31, 1968, the action by the Board of Governors would release approximately $14.5 million for the Bank's concessional lending activities. The Bank had received contributions to its Special Funds from several countries. Apart from augmenting these Funds, the set-aside resources would also impart greater flexibility to the Bank's special operations and ensure maximum benefits to recipients. The set-aside resources would be allocated to the Multi-Purpose Special Fund.

(2) A decision to increase the strength of the Board of Directors from 10 to 12, with regional members securing a representation of eight instead of the present seven and non-regional members four instead of three. The increase, which would become effective at the annual meeting of the Board of Governors, would help provide increased representation to the smaller less developed member-countries and to provide the large number of non-regional countries which had joined ADB with the opportunity for fuller participation and involvement in the activities of the Bank.

(3) The allocation of the entire net income of the Bank for the year ended December 31, 1968 of $3,482,791 to the Ordinary Reserve of the Bank.

Annual Report:

According to the Annual Report for 1968, the Bank extended during the year seven loans amounting to $41.6 million.

Five loans were for specific projects—a tea factory modernization project in Ceylon, an expressway project in South Korea, a road feasibility study in Formosa, a water supply scheme in Penang (Malaysia) and a plant for the production of an intermediate for polyester fibre in Formosa—while two were for institutions financing industrial development, one in Thailand and the other in Pakistan.

Also during the year, 11 technical assistance proposals involving an outlay of $1,137,000 in grants were approved by the Board of Directors. These proposals covered both the preparation of specific projects and programmes which the Bank might later consider for financing and sectoral activities of importance to the countries concerned.

The year was also notable for a promising start on the constitution of Special Funds for concessional lending to the Bank's developing member-countries. The "Special Funds Rules and Regulations" adopted by the Board of Directors made provision for an Agricultural Special Funds, a Multi-Purpose Special Fund, a Technical Assistance Special Fund and such other Special Funds as might be established or accepted by the Bank.

The Government of Japan contributed to the Agricultural Special

Fund the equivalent of $20 million to be used for financing the Bank's special operations in the field of agricultural development including forestry, fisheries and agriculturally-related industries. Similarly, an Agreement was signed with the Government of Canada under which a contribution equivalent to $25 million had been made available to the Multi-Purpose Special Fund over a five-year period on the basis of cumulative annual instalments of $5 million.

Good progress was also made in the sphere of regional activities during 1968. Early in 1968, the Bank completed the Asian Agricultural Survey. From the point of view of the Bank's operations, the Survey had yielded perspectives of great value in the formulation and appraisal of projects in agriculture and related activities.

Also in 1968, acting in response to a request made by eight South-East Asian countries, the Bank's Board of Directors approved the undertaking of a Regional Transport Survey and authorized the setting up of a Steering Committee of high-ranking experts to prepare the draft terms of reference of the proposed Survey. The Steering Committee had its first meeting in Manila from December 9 to 13, 1968 and submitted its recommendations to the Bank.

The Bank had undertaken to make arrangements to hold the fourth Regional Conference of Development Banks in Asia in Manila in July, 1969.

Loans For 1969:

The Bank approved four loans for a total of $24.8 million during the first quarter of 1969. The Bank's total loan commitments as of March 31, 1969 stood at $66.4 million.

The year's first loan of $2.8 million was given to the Government of Malaysia to finance the foreign exchange outlay on the first two palm oil mills of the Federal Land Development Authority (FLDA) in the State of Pahang, West Malaysia. This was the second loan provided by the Bank to Malaysia, the first being of $7.2 million for the Penang Water Supply Project.

The Bank made its third loan to national development banks in the region with a $5 million credit line for the Private Development Corporation of the Philippines (PDCP). The loan, which would be channelled through the Philippine National Bank to PDCP, would assist the latter in financing private industrial and other productive enterprises in the Philippines. The other national development banks which had received Bank assistance so far were the Industrial Finance Corporation of Thailand ($5 million) and the Industrial Development Bank of Pakistan ($10 million).

The development of fisheries, a high priority sector in South Korea's development programme, was being assisted by the Bank with a $7 million loan to the Korea Cold Storage Company Ltd. (KCSC). The loan was an offshoot of a technical assistance programme earlier undertaken by the Bank in Korea in regard to the organization and development of the Agriculture and Fishery Development Corporation (AFDC).

Board Of Directors:

The following were elected Directors of the Bank at the second annual meeting of the Board of Governors:

Mr. Wazir Ali (Pakistan); Mr. R. W. H. du Boulay (United Kingdom); Mr. Byung Kyu Chun (South Korea); Mr. Masaru Fukuda (Japan); Mr. Michelangelo de Grazia (Italy); Mr. Abdul Wahab Haider (Afghanistan); Mr. Chanchai Leetavorn (Thailand); Mr. P.V.R. Rao (India); Mr. R. J. Whitelaw (Australia); and Mr. Bernard Zagorin (USA).

The South Korean Finance Minister, Mr. Jong Ryul Whang, was elected Chairman of the Bank's Board of Governors.

The annual meeting also elected as Vice-Chairmen the Belgian Finance Minister, Baron D'Oppuers and the Afghanistan Ambassador to Japan, Mr.Abdul Hakim Tabibi.

The next annual meeting of the Bank will be held in Seoul or Manila in April, 1970.

(**The Hindu,** Madras and **ADB Newsletter**)

[Prev. ref. 8804:JAP:H]

G. **No US Action Against "Pueblo" Crew:** The US Secretary of the Navy, Mr. John Chafee, said in Washington on May 8 that no disciplinary action would be taken against any one involved in the North Korean capture of the United States intelligence ship **Pueblo** (see page 8779).

He and other senior naval authorities had overruled the recommendation of the Navy court of inquiry that Comm. Lloyd Bucher, the ship's captain, should be tried by court martial.

Mr. Chafee said that "neither individual discipline nor the state of discipline or morale in the Navy nor any other interest requires further legal proceedings with respect to any personnel involved in the **Pueblo** incident. They have suffered enough and further punishment would not be justified."

His decision apparently concluded the inquiry into the loss of the ship to the North Koreans in January, 1968 and the behaviour of her crew in captivity.

The court of inquiry had also recommended that Lt. Stephen Harris, the officer in charge of the vessel's spy equipment, should be tried by court martial, that Lt. Edward Murphy, the executive officer, should be given a letter of reprimand and that Rear-Admiral Frank Johnson, the commander of US naval forces in Japan at the time, and Capt. Everette Gladding, the director of the naval security group in the Pacific, should both be reprimanded.

Mr. Chafee noted that the court had found that Comm. Bucher had upheld morale in a superior manner and provided leadership during the crew's captivity.

Admiral Johnson and Capt. Gladding had been accused of failure to anticipate the incident, but "this basic general accusation could be levelled in various degrees at responsible superior authorities in the chain of command and control."

(**The Times,** London)

[Prev. ref. 8779:KRN:A]

H. **Gen. C. de Gaulle Resigns As President In France:** Gen. Charles de Gaulle officially ended his office as President of France at noon on April 28, 12 hours after announcing his decision to retire as a result of his defeat in the referendum on his reform programme. About 52 per cent of the electorate had voted against the reforms.

The Senate President, Mr. Alain Poher took over as **interim** President of the Republic as the country's leading political groups went into full swing preparing for the election of a new President on June 1.

The Constitutional Council, in a brief statement, officially named Mr. Poher acting Head of State, as the 60-year-old Centrist leader was preparing for his first official act— a meeting with the Prime Minister, Mr. Couve de Murville.

Mr. de Murville presided over a meeting of his Cabinet, which took stock of the situation and unanimously adopted a one-sentence statement which said: "The Government will assume the responsibilities which it holds under the Constitution."

(**Le Monde**, Paris)

[Prev. ref. 8500:AOA:A]

I. UNCTAD Board Meeting: The Board of the UN Conference on Trade and Development (UNCTAD) ended a two-week session in Geneva on May 20 without progress on defining UNCTAD's role in the Development Decade of the 1970's.

A final statement said it was recognized that "very little progress was achieved during the session of the Board in preparing the major contribution of UNCTAD to the strategy for the second Development Decade."

At the root of the lack of achievement was the widely different views of UNCTAD's role taken by the developing countries, the Communist nations and the Western industrialized States.

The Board's 55 members agreed, however, to seek and possibly accomplish the following targets over the next 10 years: expansion of trade and co-operation among the developing nations as well as furthering of their respective regional integration.

(**The Times**, London)

[Prev. ref. 8311:INI:A]

J. Soviet Space-crafts Reach Venus: The Russian news agency **Tass** disclosed on May 17 that **Venus-6** had reached Venus on that day.

Earlier, **Moscow Radio** had said that **Venus-6**, following close in the wake of her sister-ship, **Venus-5**, had entered the atmosphere of Venus.

Venus-6 had been launched on January 10, five days after **Venus-5** which covered some 350 million km before gliding smoothly into Venusian atmosphere.

Moscow Radio said that the performance of the two Venus craft had enabled Soviet science to "score a new glorious achievement in cosmic space exploration."

The **Venus-5** space capsule parachuted gently down through the carbon-dioxide atmosphere of the planet on May 16, but apparently stopped transmitting information before it landed.

An official announcement several hours after the event did not say anything about a landing, although it said the space-craft had delivered a bas-relief of Lenin and a Soviet coat of arms to the planet.

The announcement by **Tass** said the capsule had transmitted back to Earth a non-stop stream of information during its 53-minute descent.

The two spacecraft followed up the mission of **Venus-4**, which made history in October, 1967 by parachuting through Venus's atmosphere and transmitting 90 minutes of data back to Earth.

Venus-5, launched on January 5, took 130 days to cover the 350 million kilometres to reach the third brightest celestial body after the Sun and the Moon, known to the layman as the Morning Star or Evening Star.

The first measurements of the planet's proper radiation and the first attempts at radio-spotting them had been made in the mid-fifties. It was established that Venus revolved around its axis in an average of 244 terrestrial days. A Venusian day was equal to 117 terrestrial ones.

One of the recent discoveries was that of "synchronic" revolution of Venus around the Earth. When it came closest the Earth, it always faced it by the same side. This was explained by the presence of substantial gravitational anomalies in the depths of the planet. Measurements showed that the Venus surface had a very high temperature—250-400 degrees Centigrade.

The flight of **Venus-4**, which had made a smooth descent by parachute through the Venusian atmosphere on October 18, 1967, was described by a Soviet scientist, Mr. Marov as an important achievement. Describing the physical conditions on Venus in the light of the latest findings, he stressed that the high temperature on the Venus surface ruled out any possibility of life forms. "But one cannot deny in principle the possibility of existence of some life forms on the basis of silicon-organic compounds."

He said that the data sent back to Earth by **Venus-5** and **Venus-6** would provide answers to many so far unsolved problems. By size and by its distance from the Sun and the height of atmosphere, Venus resembled Earth more than any other planet. Optical studies of Venus yield little information since it is covered by dense clouds. Before space flights, scientists had no reliable information about the physical conditions on the planet.

Soviet automatic inter-planetary stations had provided unique scientific data on the chemical composition and physical characteristics of the atmosphere of Venus. The **Venus-5** and **Venus-6** landings had enabled scientists to constitute an exact "replica" of the atmosphere's structure from two different points on the planet.

There was absolutely no indication that there might be life on the planet.

(**Tass and Moscow Radio**)

[Prev. ref. 8760:AOA:B]

K. New Cardinals: Archbishop Joseph Parecattil of Ernakulam (Kerala) was among 33 new Cardinals elevated to the Sacred College by Pope Paul on April 28 to give younger men and more nations a place in the highest council of the Roman Catholic Church.

Archbishop Parecattil was the second Indian to become a prince of the Church, the first being Valerian Cardinal Gracias, Archbishop of Bombay.

The latest additions expanded the Sacred College to 134 members, the highest number yet and nearly double the limit of 70 maintained for four centuries until the tradition was broken 10 years ago. The number of countries represented now was 46.

The new Cardinals included eight Italians, four Americans, three Frenchmen, two Spaniards, two Brazilians and the first Cardinals ever from Korea, Guatemala, Madagascar, Congo (Kinshasa) and New Zealand.

(**The Times of India**, Bombay)

[Prev. ref. 6224:INI:B]

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FIRST QUARTERLY INDEX

January 1—April 1, 1969

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This is the **FIRST QUARTERLY INDEX** of **ASIAN RECORDER** for 1969 covering the period January 1 to April 1, 1969 (issues Nos. 1 to 13 of Vol. XV).

It has been compiled on the Dictionary Method and arranged alphabetically with certain form-headings under different countries.

The Afghan Premier's visit to USSR is dealt with under Afghanistan, USSR and under alphabet 'E'. Soviet occupation of Czechoslovakia features under USSR and Czechoslovakia. West Asian Issue comes under Egypt (UAR) and Israel. Apollo-8 launching by USA is given under OUTER SPACE. RCD 'Summit' Conference comes under Pakistan and each participating country. The launchings of Soyuz-4 and Soyuz-5 are dealt with under USSR and Outer Space.

The abbreviations for countries as well as the usual form-headings are given in the explanatory note on how to use the INDEX pasted on the inside of the back-cover of the binder under the heading INDEX EXPLAINED.

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INDIA

A. Aid Consortium Meeting: The World Bank, in a communique issued on May 24 at the end of a two-day meeting in Paris of the Aid-India Consortium, said that the Consortium had recognized India's need for increased project assistance and its request for $400 million was accepted as reasonable.

The communique emphasized that Consortium members welcomed continuation of substantial recovery in India's industrial production, restoration of stable price levels and the efforts made in the last Budget to mobilize additional resources for development. It appreciated the export performance as "particularly noteworthy." (Exports were 12.2 per cent above those of the 1967-68 period.) The Consortium members also commended steps taken by India to extend its family planning programme. It was also stated that the contribution of France to the Consortium would continue in 1968-69 at the same level as in 1967-68 i.e. $ 15 million for project assistance and an equal amount for non-project assistance.

The Consortium's decision to provide $ 700 million for non-project assistance in 1969-70 was welcomed in India, though it still fell short of the annual average indicated by the Consortium countries for the last three years. (The non-project aid is used mostly for the purchase of fertilizers, components and spare parts for industries and raw materials such as non-ferrous metals and newsprint.) India's maintenance requirements covered by non-project aid were expected to increase during this year because of higher growth rate in industry.

The Consortium had suggested to member-countries a total of $ 900 million for non-project aid in 1966-67. A similar amount was promised for 1967-68 besides food aid. For 1968-69, the goal was set for $ 1 billion including $ 100 million as debt relief. The latter was based on a World Bank study which had suggested provision of debt relief of $100 million annually for three years until 1970-71.

Dr. I. G. Patel On Results:

The chief Indian delegate to the Consortium, Dr. I. G. Patel, told newsmen on June 5 that India expected to use $1,100 million (Rs. 828 crores) of aid during the current year 1969-70. Setting off against it repayments of $550 million (Rs. 412 crores) falling due in these 12 months, the net in-flow of aid would still be considerable.

The targets set by the Club—$700 million for non-project aid including debt relief and $400 million for project aid—would, he said, match disbursements during the year.

Referring to the $400 million target for project financing, Dr. Patel confessed that "it was very difficult to see where we came out." India could reckon on only $75 million—$85 million on the basis of the project aid countries normally set aside for projects in their respective aid packages. France, for instance, customarily offers a total of $30 million—half of it for projects. The rest would depend a good deal on the interest individual donors take in the projects canvassed with them. This interest would obviously be conditional upon what India wished to buy from them for these projects.

India could also count upon some project aid from the World Bank and IDA for infra-structure investments in railways, communications and irrigation. Mr. Robert McNamara's offer to finance public sector fertilizer plants stood, but it had still to be given concrete shape.

(**Le Monde**, Paris, **The Times**, London, **The Times of India** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8048:INI:D, 8682:INI:B]

B. Visa Agreement With Scandinavian Countries: India and the Scandinavian countries agreed in New Delhi on June 3 to abolish visas on a reciprocal basis for visits lasting 90 days.

The Agreement was signed by the Secretary for External Affairs, Mr. V. H. Coelho and the Ambassadors of Denmark, Finland, Norway and Sweden for their respective countries.

This was the first Agreement of its kind signed by India.

(**The Hindustan Times**, New Delhi)

C. New Apostolic Pro-Nuncio: The Most Rev Joseph Marie Lemieux has been nominated Apostolic Pro-Nuncio to India.

Born in Quebec (Canada) in 1902, the Most Rev. Lemieux entered the Dominican Order and was ordained priest in 1928. He was Bishop of Sendai, Japan, in 1936. He was subsequently transferred to the Residential See of Gravelbourg, Canada, in 1944 and thence to the Archbishopric of Ottawa in 1953.

Since September, 1966, he had been Apostolic Nuncio in the Republic of Haiti.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 7894:INI:F]

D. Ugandan Envoy: On May 31, Uganda named Mr. Yeoksofati Engur, former Ambassador to Moscow, as High Commissioner in India.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 6092:INI:F]

E. Collaboration With UAR In Developing Supersonic Jet Fighter Engine Terminated: It was officially learnt in Cairo on June 1 that the five-year India-UAR collaboration in developing supersonic jet fighter engine with the help of India-made HF-24 air frame would be terminated by the end of July.

All Germans numbering about 80 working on the project ceased work, while the Indian team under Group-Captain Naik will return home by the end of July.

The UAR apparently decided to drop its plan for mass production of supersonic jet engines owing to foreign exchange shortages.

The Government of India decided to present the UAR Government the HF-24 air frame with which the UAR engine had been flight-tested so far.

The first test flight of the UAR engine was carried out by Wing

Commander Inder Chopra of the Indian Air Force just before the June war in 1967.

The UAR was in the past five years developing E-300 jet engine designed by Austrian Professor Ferdinand Brantner. Hopes that it would achieve supersonic speed had not been realised within the target period.

(**The Egyptian Gazette,** Cairo and **The Times of India,** New Delhi)

[Prev. ref. 8075:INI:I]

F. Nagaland Cease-fire Extended: The truce in Nagaland, which expired on May 31, was extended by another month ending June 30.

(**The Times of India,** New Delhi)

[Prev. ref. 8742:INI:M]

G. Exploitation Of Copper Deposits: Hindustan Copper Limited, which is executing a project at *Khetri in Rajasthan,* has prepared a Rs. 6-crore scheme to exploit the copper deposits at Rakha in *Bihar.*

The scheme envisages production of 500 tonnes of ore per day. There will be a concentrator at Rakha, *but the quantity of ore that can be mined initially is considered too small to justify a smelter.* It is, therefore, proposed to send the concentrates to the smelter of Indian Copper Corporation (a private sector firm) at Ghatsila. The arrangement with Indian Copper Corporation has yet to be made, but the company will probably get a conversion fee.

The Rs. 6-crore scheme is only the first phase during which the end product expected is about 3,000 tonnes of copper. In the second phase, yet to be worked out, the annual production is expected to be about 20,000 tonnes of copper from Rakha concentrates.

The annual production of copper from Khetri will be 31,000 tonnes when the project reaches full capacity. Khetri will also produce 600 tonnes of sulphuric acid per day from the smelter gases as well as by treatment of pyriate. This will be utilized to produce fertilizer—214,000 tonnes of triple super-phosphate using sulphuric acid.

The only other major copper deposit is at Agnikundla in Andhra Pradesh. In October, 1967, the Centre had cleared a collaboration arrangement with Ashlands of USA to exploit this deposit. But the US firm has apparently lost interest. Hindustan Copper has, therefore, decided to exploit the Agnikundla deposits in two phases. A Rs. 5-crore scheme has been prepared for the first phase which is now being processed by the Finance Ministry. In the first phase, only lead will be recovered. Deeper mining will be required to recover copper, which will be undertaken in the second phase.

The demand for copper is estimated at 124,000 tonnes by the end of the Fourth Five-Year Plan. There is only one unit now—Indian Copper Corporation—which is producing copper at the rate of 9,600 tonnes per year. This unit's capacity will be increased to 16,500 tonnes by 1970-71.

Together with Khetri, the total yield should be about 47,500 tonnes of copper by the end of the Fourth Plan period—which means a major part of the domestic demand has to be met through imports, unless richer deposits are found and exploited quickly.

(**The Statesman,** New Delhi)

[Prev. ref. 7565:INI:X]

H. New Director Of Army Medical Services: Maj.-Gen. M. B. Menon, Deputy Director of Medical Services, Western Command, has been selected as the new Director of Medical Services (Army) in the rank of Lieut-General.

Gen. Menon took over on July 9 from Lt-Gen. S. N. Chatterjee, the present DMS (Army), when the latter assumed the appointment of Director-General, Armed Forces Medical Services.

The present Director-General of Armed Forces Medical Services, Lt-Gen. B. Bhattacharyya, will retire in July.

(**The Times of India,** New Delhi)

[Prev. ref. 8983:INI:K]

I. No Elections For West Bengal Council: The Chief Election Commissioner, Mr. S. P. Sen-Varma, decided on June 5 not to hold elections for the West Bengal Council. The elections were set for July 4 to fill nine vacant seats.

Mr. Sen-Varma was reported to have taken this decision following the West Bengal Cabinet's decision not to take any initiative for elections and to leave it to the discretion of the Chief Election Commissioner.

(**The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8915:INI:I]

J. Cyclone In Andhra Pradesh: Coastal Andhra Pradesh and its districts of West Godavari, Krishna and Guntur experienced the worst cyclone and flood disaster of the last 30 years from May 16. Vijayawada City recorded a rainfall of 569 mm from May 16 to 20. It rained 700 mm in a span of four days, which is two-thirds the average annual rainfall of the region. The quantity of rainfall at places was nine times the normal.

Disastrous floods followed. The cyclone behaved in a peculiar manner. It pierced the coast at a place near Ongole in Guntur district, forked into two, turned round and drove the flood waters towards the sea at a terrific speed of 150 kilometres per hour. On the other hand, tidal action caused the sea-level to rise from the normal eight feet to 15 feet and prevented the flood waters from flowing into the sea.

Many of the rivers and rivulets of the area were swollen and swirling waters entered low-lying villages. The capital city of Hyderabad was completely cut off from the area of devastation for several days. There was destruction on a vast scale of human life, cattle, food and crops and of public and private properties. Official reports on May 24 placed the known death toll of human life at 879. Besides, several hamlets were completely wiped out. Thousands of cattle were seen floating in the swollen rivers of Wira and Kateleru in Khammam district. The estimated loss of cattle was 2,00,000 head, of which 1,50,000 died in Guntur district alone. Guntur district also lost an equal number of dwelling units. It was estimated that 2,50,000 acres of paddy crop and 9,000 acres of sugarcane crop suffered damage in Krishna district. The total loss of the second paddy crop in the three affected districts was estimated at 6,00,000 acres. In terms of rice, the loss was 3,00,000 tonnes.

Transport and communication facilities were severely damaged. Tele-communication and electric lines were snapped all over. The Guntur canal was breached on May 21. The bridge between Pabatapalli and Khammam was washed away. The Bundamesh river burst its banks near Vijayawada.

It was estimated on May 28 that the loss of revenue and the cost of re-building bridges and tracks damaged or washed away in coastal Andhra was between Rs. 10 and Rs. 15 crores. The total loss of property and crops was officially estimated at Rs. 99 crores, of which Rs. 32 crores was on account of crops.

Train services remained cancelled over a wide area for over three weeks and a number of trains were diverted because of track breaches or the washing away of bridges and culverts between Vijayawada and Madras and other places. The "Dakshin Express" which left New Delhi on May 15, and which had bumped into the Janta Express and the Hyderabad-Madras Express, arrived at Hyderabad on May 22, having remained stranded for seven days at Tondalagopavaram with 600 passengers aboard. The passengers were fed by IAF air-dropping of food packets on May 19 and 20 and subsequently by relays of trollies from adjacent stations.

Mr. Parimal Ghosh, Central Minister of State said on May 30 that the South Central Railway had suffered a loss of Rs. 27 crores in income. The total loss of revenue to all the concerned railways was estimated at Rs. 10 crores, with an addition of Rs. 5 crores required to restore washed-away bridges, culverts and tracks.

The Army and Air Force took up rescue measures from May 16 and air-dropped food packets to marooned railway passengers and villagers. Fourteen special boats were flown to Hyderabad from military HQ at Poona under the supervision of a party of 50 officers and jawans of the Corps of Engineers on May 22 to evacuate marooned villagers in Guntur district and to air-drop food packets to affected people. About 3,500 such packets were dropped on a single day on March 22 in 24 marooned villages.

(**The Hindu,** Madras)

[Prev. ref. 6141:INI:G]

K. **U Nu To Work As Buddhist Missionary In India:** The former Burmese Prime Minister, U Nu, stated in Bombay on June 4 that he would shortly put on yellow robes and work as a missionary in India for the revival of Buddhism.

He said he was seeking the permission of the Governments of India and Burma for the religious mission, his life's ambition.

In a exclusive interview, U Nu, who was undergoing medical treatment in the city for the past 46 days said: "I have always had a feeling that we owe a deep gratitude to India which gave the Buddha to the world. The time has come to reply this I have decided to retire from politics and embark on a religious mission. Now religion is the most important thing to me."

U Nu, who celebrated his 62nd birthday quietly at a Bombay nursing home, said he had discussed his plans for missionary work in India with several Buddhist leaders during his stay in the city. In his missionary work he would have no truck with Buddhist organizations with a political bias. "We must not allow politics to come in religious matters."

U Nu, who was removed from Premiership by a military **coup** led by Gen. Ne Win in 1962, said before his current visit to India that he had given 93 lectures of Buddhism when in Burma. He was now free to move anywhere in Burma. He was in prison and under house arrest for more than five years immediately after Gen. Ne Win's takeover.

U Nu, presumably still under Government surveillance, declined to answer or discuss any questions on politics during the 30-minute interview at the residence of Mr. Lalji Malhotra, former Indian Ambassador to Burma and his host.

(**The Times of India,** Bombay)

[Prev. ref. 9015:BUR:A]

L. **"Baihaili Jot" Climbed By Indo-British Expedition:** The 20,602-foot virgin **Baihaili Jot** in the Chamba hill was scaled by an Indo-British expedition on May 27.

Mr. Martin Sinker, Mr. Randall Williams, Capt. A. L. Sharma and Major H. V. Bahuguna (leader) were the successful climbers.

The 10 mountaineers—five Britons and five Indians—left Chandigarh on April 22 and established their base camp at Urgad on May 13.

On May 25, **Duphao Jot** (20,011 feet) was climbed by Dr. Nick Allen, Mr. R. S. Prabhu, Mr. P. Chakraverty, Mr. Alan J. Smith and a Sherpa.

The expedition had also completed a reconnaissance of **Phabrang** (20,250 feet) and **Menthosa** (21,140 feet), two other unexplored peaks in the Chamba hills.

(**The Times of India,** New Delhi)

[Prev. ref. 6560:INI:R]

ISRAEL

A. **Knesset Votes Confidence In Government:** The Knesset defeated on May 19 a no-confidence motion against the National Unity Coalition Cabinet of Mrs. Golda Meir.

Voting on the motion, sponsored by the Agudat Yisrael party over religious issues, was three for and 69 against. There were as many as 19 abstentions.

Two Coalition factions—the National Religious Party and Poalei Aguda—sided with most of the Opposition during the debate.

While the Labour-Mapam Alignment, Gahal and the Independence Liberal Party helped defeat the no-confidence motion on the issues of Sabbath TV and autopsies, and Agudat Yisrael was the only faction to back it, the abstainers included the two Coalition religious parties, the two Communist factions, the Free Centre and Ha'olam Hazeh.

Obviously bent on avoiding a heated clash, Mrs. Meir underlined the general respect for religion and for the orthodox community, and stressed the need for the observant and the non-observant to find a **modus vivendi** consonant with dignity and mutual respect. She firmly rejected the idea that the Cabinet had decided on seven-days-a-week TV in order to anger anybody. "We regard TV as a direct extension of radio," she said. "Just as radio operates on the Sabbath, so does TV. All those who object to TV on the Sabbath object to radio as well. Observant people, I presume, do not turn their radios on the Sabbath."

She said that one important reason in favour of having Sabbath TV was the fact that some 200,000 homes with sets, who could watch Cairo, Amman and Damascus, ought to be able to watch Jerusalem too. It was desirable that Israel's Arabs should have Israeli TV at their disposal.

In the Cabinet, she said, the decisive majority did not regard operation of TV on the Sabbath as an innovation, and hence did not see it as an infringement of the **status quo** on religious matters.

Regarding autopsies, she conceded that the existing law should be scrupulously observed, and said that the Controller had already noted the Health Minister's readiness to take firmer action. "We are all sorry that the law was infringed, but nobody can say that Mr. Barzilan was not alert to take immediate action, once it was explained to him that there had been infringements."

(**The Jerusalem Post**)

[Prev. ref. 8856:ISR:A, 8904:ISR:A]

JAPAN

A. **Mr. K. Aichi's Talks With American Officials On Okinawa:** The Foreign Minister, Mr. Kichi Aichi, visited Washington in the first week of June when he had talks on the future of Okinawa with President R. Nixon and the American Secretary of State, Mr. William P. Rogers.

He formally presented to the US leaders Japan's demand that Okinawa and the rest of the Ryukyu islands captured by the American forces in World War II be returned to Japanese political control not later than 1972.

The New York Times reported on June 5 that Mr. Aichi had stated that Japan was willing to leave American military bases on Okinawa after the Island reverted to Japanese rule, but wanted to restrict their use to the same standard as other American bases in Japan. Mr. Aichi also asserted that his Government intended to renew automatically the Mutual Defence Treaty between the United States and Japan next year. The Treaty was signed in 1960 and, starting next year, either side can give one year's notice that it intends to withdraw.

Mr. Aichi told Mr. Rogers that Tokyo wanted to end the American privilege of storing nuclear weapons on Okinawa and other special military privileges once the Island was returned to Japanese rule.

The US State Department said on June 3 that no decision had been made by Mr. Nixon on the future status of Okinawa or American military equipment on the Island and none would be taken until lengthy negotiations with the Japanese Government were completed.

Mr. Robert J. McCloskey, the Department spokesman, was asked about a report that President Nixon had already decided to remove American nuclear weapons from Okinawa once an over-all scheme for return of the Ryukyu Islands to Japanese control had been agreed upon.

He said: "No decisions, either with respect to the future status of Okinawa or US military equipment on the Island, have been made. The President has asked the Secretary (Mr. Rogers) to begin discussions with the Japanese Government on the matter of Okinawa. Until those issues have been thoroughly discussed with the Japanese—and that will take several months at least—no firm US decision will be taken."

There was no immediate indication where the nuclear weapons now stored in Okinawa would be put. Some knowledgeable sources suggested Guam as the most likely alternative. Other possible sites included South Korea, Formosa, Midway and American naval vessels operating in the Pacific.

(The New York Times)

[Prev. ref. 8696:JAP:C, 8802:JAP:B]

B. **Government Bill To Quell Campus Violence:** The Government sent to the Diet on May 24 a Bill designed to restore order in strife-torn Universities.

The Government action followed Cabinet approval of some measures to bring normalcy to the troubled universities. At the same time, the Government issued a statement seeking the co-operation of all sections of opinion to support the Bill.

The statement said that at present 34 national universities, four municipally run universities and eight private universities were "in dispute."

The Government and the Liberal Democratic Party had earlier agreed that the context of the projected university legislation would be confined to provisions needed to normalize the current campus disputes. The agreement, however, implied that the Bill could be altered in the course of Diet debates so as to reflect some Tory views still opposed to the Government Bill. The ruling party maintained all along that the Bill should contain provisions calling for a basic reform of the administrative and operational system of universities.

The Government Bill, worked out on the basis of one drafted by the Education Ministry, was mainly aimed at settling the current disputes. It placed emphasis on the Government's administrative assistance in normalizing trouble-ridden campuses at the initiative of each school, instead of exercising State power in restoring normalcy at the schools.

The Education Ministry draft called for:

(1) Punishment to be meted out to students and administrative and teaching staff members who hindered normalization activities.

(2) Concentrating administrative power on a President.

(3) Giving the Education Minister the right to issue directives including suspension of both educational and research activities of a school.

(4) A 30 per cent pay cut for school staff if such a suspension goes into effect.

(5) Steps to be taken to abolish a school in protracted troubles if a suspension lasts more than three months.

The Prime Minister, Mr. Eisaku Sato, said later that the university legislation was a "minimum measure" necessary to settle campus disputes without interfering with university autonomy. He stressed that the Government would exert every effort to have the provisional campus legislation Bill passed by the Legislature.

Opposition Criticism:

The Bill drew a wave of criticism from the Opposition parties, Mr. Ichiro Kato, President of the University of Tokyo, and the Japan Teachers' Union.

The Japan Socialist Party denounced the Bill as a Government plan to control universities. It said the Bill could serve only to bring on further confusion in the strife-torn universities. It said it would redouble its efforts to crush the Bill in the Diet by launching a national campaign.

Mr. Kato issued a statement saying that Government "pressure" would imperil the existence of universities. Spelling out a series of measures to normalize functions of his university, he stressed the need for respecting the initiative of the university in resolving the current turmoil on the campus.

Trouble In 43 Universities:

Meanwhile, according to a survey by the Ministry of Education, 43 universities were still locked in campus disputes as of May 13.

The survey said that students either continued to boycott classes, occupy school buildings, or the school authorities ordered suspension of classes at the 43 universities —30 State, 4 public and 9 private schools.

A total of 27,708 students matriculated in April had been forced to wait at their homes for re-opening of classes. Of the total, 17,265 belonged to the strife-torn State universities, the figure representing one out of every four students admitted to State universities this year.

Education Ministry officials said it was highly probable under the present circumstances that this year's freshmen would have to begin their first-year course only next year and that the universities would be forced to cancel entrance examinations in 1970.

State universities are required to decide by the end of June the schedule of next year's entrance examinations in consultation with the Education Ministry.

Only 54 State universities managed to hold classes on a limited scale.

(The Japan Times, Tokyo)

[Prev. ref. 8804:JAP:J]

C. **Mr. K G. Kiesinger's Visit:** The West German Chancellor, Mr. Kurt Georg Kiesinger, paid a visit to Japan from May 17 to 21.

The Chancellor, who was accompanied by his wife, called on Empress on May 19 when they were invited to a luncheon.

Apart from State receptions and visits to industrial centres, the Chancellor's engagements included prolonged talks with the Prime Minister, Mr. Eisaku Sato, and other Government leaders on a wide range of problems.

According to Press reports, Mr. Sato and Mr. Kiesinger agreed that the two countries should consult each other on the issue of the Nuclear Non-Proliferation Treaty.

[Japan and West Germany have not yet signed the Treaty. The two countries are in a similar position as both are scientifically advanced with potential to produce nuclear arms. There have been, however, Press reports that Japan may sign the Treaty some time this Summer or Autumn.]

The two leaders also discussed China, Viet-Nam, the currency issue and bilateral relations.

Joint Communique:

A joint **communique** issued on May 21 said that Mr. Kiesinger and Mr. Sato had "stressed" in their meetings the importance of a total and complete disarmament to be enforced under strict and effective international control.

They had agreed that efforts should be promoted for strengthening relations between Japan and the European Economic Community.

They expressed the determination of their countries to strive through mutual trust and co-operation for the maintenance of freedom, promotion of international co-operation and the ensuring of peace based on a "principle of justice."

They concurred that a peaceful solution of the German re-unification problem was essential for the attainment of a lasting European peace based on justice. They also agreed that freedom in West Berlin should be maintained.

(The Japan Times, Tokyo)

[Prev. ref. 6045:JAP:B]

D. **Oil Reservoirs In Sea:** A geophysical survey conducted in the East China Sea and the Yellow Sea in October-November, 1968 indicated that the shallow sea floor between Japan and Formosa might contain one of the largest oil reservoirs in the world.

The findings were presented to the sixth session of the Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Off-shore Areas of the Economic Commission for Asia and the Far East (ECAFE), which concluded in Bangkok on May 27.

The geophysical survey undertaken in 1968 was part of the Committee's operating activities and is a joint effort by Japan, South Korea and Formosa with the support of the United States. Scientists and technicians from those countries participated in an expedition under the leadership of Mr. K. O. Emery, of the Woods Hole Oceanographic Institution of the United States, serving as special adviser to the Committee.

The survey covered a region equal to the combined areas of Cambodia, Laos, Thailand and Viet-Nam. The result indicated that an area several times larger than Formosa lay north of that Island with sediment thickness exceeding 2 km, perhaps reaching 9 km. thickness that underlined Formosa. Most of this sediment was believed to be neogene in the geologic age, the same as the oil-producing strata on the Island. Scientists believed that a high probability existed that the continental shelf between Japan and Formosa could become an important world oil-producing area.

In addition to that area, neogene sediment had also been discovered in the Yellow Sea basin. Such sediment was less than 2 km. thick, but may contain a high content of organic matter, with good reflecting horizons that could serve as an ideal reservoir bed for both oil and natural gas.

Further seismic studies would be required to portray the shapes and extent of the geological structures.

Much interest had been aroused by these discoveries, and several international oil companies were discussing follow-up work with the countries concerned.

In addition to this survey, the Committee made during 1968-69 a large-scale reconnaissance aeromagnetic survey from Formosa to South Korea, under Project Magnet; a seismic refraction survey along the south-west coast of South Viet-Nam; and, together with the UN Educational, Scientific and Cultural Organization, geophysical survey of the South China Sea (a Sunda Shelf expert had undertaken an investigation of the economic feasibilities of detrial, the heavy mineral deposits of Indonesia, Malaysia, Philippines, Formosa, South Korea and South Viet-Nam).

As support to the Committee's activities, Japan had established a regional training centre on off-shore prospecting, which during the last two years had taken in trainees from the member-countries of the Committee.

(UN Newsletter)

[Prev. ref. 8402:IND:A]

E. **Geodesic Co-operation With Russian Scientists:** Japanese and Russian scientists agreed on May 19 to conduct joint surveys to determine the relative positions of the Japanese archipelago and Siberia by means of American geodesic satellites, starting this year.

The agreement was reached at a meeting between Dr. G. Massevitch, Vice-President of the Astronomical Council, Soviet Academy of Sciences and Dr. Hideo Hirose, Professor at Tokyo University and Tokyo Astronomical Observatory, and other Japanese scientists.

While the Soviet Union would use their newly developed satellite tracking cameras AFU-75s at Khabarovsk and Sakhalinsk, Japanese scientists would avail themselves of three Observatory Maritime Safety Agency and Construction Ministry geodesic stations.

The satellites used would be the American surveying satellites **Pageos** and **Explorer-38.**

Although the Soviet Union wanted to investigate the continental drift of Asia, this had been found too ambitious in the present state of geodesic precision. The immediate task had been set at determining precisely the relative positions of the Continent and the Japanese islands, leaving the continental drift project to a later stage.

(The Japan Times, Tokyo)

[Prev. ref. 8803:JAP:F]

KOREA (North)

A. **Consular Relations With Sudan:** A Government delegation, headed by the Chairman of the

Committee for Foreign Economic Relations, Mr. Kim Gyong Ryon, paid a goodwill visit to Sudan from April 16 to 25.

The delegation reached agreement with the Sudanese Government on establishing consular relations and exchanging diplomatic representatives at the consular-general level between the two countries.

The Sudanese Cabinet ratified the agreement on April 23.

(The Pyongyang Times)

B. Aid To Syria: According to an official statement issued in Pyongyang, Syria has accepted from North Korea "free aid material" which would be "conducive to the Syrian struggle against USA and Israel and for the defence of Syrian independence and sovereignty."

The official news agency which put out the statement did not elaborate what kind of materials these were, but mentioned that representing the Syrian side at the ceremony of transfer in Damascus was a Syrian military officer, Brig.-Gen. Nourtin Kanju, Commander of the Latakia military region.

The Brig.-Gen. in expressing thanks to the North Korean Premier, Mr. Kim Il Sung, for the "precious" aid materials, said that they would be "greatly helpful to the Syrian struggle against the US imperialists and Israel."

In his speech, the North Korean **Charge d'Affaires ad interim** of the North Korean Embassy in Damascus said: "The aid materials are an expression of the ardent desire of the Korean people to "support and 'co-operate' with Syria in the anti-imperialist, anti-US struggle and the close friendship between the two countries."

(The Pakistan Times, Lahore)

[Prev. ref. 6774:SYR:C]

KOREA (South)

A. Aid Consortium Meeting: The Consultative Group on development assistance to South Korea met in Paris on April 17 and 18 under the chairmanship of the World Bank.

Represented at the meeting were Australia, Belgium, Canada, Formosa, France, West Germany, Italy, Japan, Britain and the United States. Representatives of the Asian Development Bank, the International Monetary Fund, the United Nations Development Programme and observers from Austria and Switzerland also attended the meeting.

The group heard a statement by the leader of the Korean delegation, Mr. Choong Hoon Park, who is also Deputy Prime Minister, setting forth the main issues and outline of the measures the Government proposed to take to promote economic development. This, together with the documentation earlier prepared by the Korean Government and by the World Bank, constituted the frame-work of the Consultative Group's discussions.

A **communique** issued later by the World Bank said: "The members of the Group expressed satisfaction at the rapid growth of Korea's production and exports, which was exceeding growth rates estimated in the Government's Second Five-Year Plan (1967-71). Another encouraging sign noted at the meeting was the further improvement in the financial condition of the public sector. The Deputy Prime Minister emphasized his Government's determination to maintain monetary stability and to keep external indebtedness within reasonable limits while pursuing an active growth poicy. The meeting indicated a large measure of willingness on the part of member-countries to support Korea's development effort. It was acknowledged by many member-countries that in order to prevent an excessive level of debt service in the future, a substantial proportion of foreign assistance should be in the form of grants or credits on relatively long terms and moderate interest rates. It was provisionally agreed that the Consultative Group would hold the next meeting in April, 1970."

(World Bank Press Release)

B. IDA Credit For Education: The International Development Association (IDA), an affiliate of the World Bank, has approved a credit of $14.8 million to upgrade and expand technical and vocational education in Korea.

It is designed to result in a greater output of suitably trained graduates to help fill the needs of the country's growing commerce and industry where progress has already outstripped the supply of skilled man-power.

The project will support the Government's current drive to alleviate man-power shortages by improving selected schools and colleges. Compulsory primary education in Korea has reduced illiteracy from 78 per cent. in 1945 to 11 per cent in 1965, one of the lowest in Asia. Few secondary schools, however, are adequately equipped and staffed to provide the specialized training required if future rapid and sustained economic growth is to be realized.

The project will benefit 32 schools and four university departments permitting a combined increase in enrolment from 27,820 to 36,340 by 1974. The emphasis will be on new equipment and facilities for teaching agricultural, commercial, scientific and industrial subjects. Of the nine technical high schools included, three will be replaced entirely. The other six will be extended and improved, along with two comprehensive, seven agricultural, five agricultural-technical and four commercial secondary schools. Four post-secondary technical schools and one agricultural school and Seoul National University's Agricultural Education Department will also be enlarged and re-equipped, while new equipment alone will be purchased for the science teacher-training departments of Seoul, Kynogbuk and Kongju national universities. Three of the higher technical schools will provide teacher-training. A number of outside specialists will be required to support agricultural and technical education. This has been included in the project, along with fellowships to allow some of the schools' teaching staffs to broaden their experience overseas.

The project is scheduled for completion in five years at a total estimated cost equivalent to $26.8 million. A special Project Unit to be set up in the Ministry of Education will be responsible for its execution.

The $14.8 million credit, equivalent to the foreign exchange cost of the project, will be extended to Korea for 50 years, including a 10-year grace period. It will be interest-free, but a service charge of 3/4 of 1 per cent per annum will be made to cover IDA's administrative expenses.

The United Nations Educational, Scientific and Cultural Organization assisted in the identification and preparation of the project and the Food and Agriculture Organization participated in its appraisal under the UNESCO and FAO/Bank Co-operative Programmes.

(World Bank Press Release)

MALAYSIA

A. Alliance Party Returned To Power—General Election Results: The Alliance Party—a combination of the United Malays National Organization (UMNO), the Malaysian Chinese Association (MCA) and the Malayan Indian Congress (MIC)—was again returned to power in the General Election held on May 10.

This was the third General Election since Independence. The Alliance had comfortably won in the first two. This time, however, it came out with a considerably reduced majority.

There are 144 Parliamentary seats of which the results of 113 were declared soon after the Elections. The final position would be known only six to seven weeks hence. Of the declared results, the Alliance won 76, the Democratic Action Party 13, the Pan Malayan Islamic Party 12, the Gerakan Rakyat eight, and the People's Progressive Party four. A notable feature of the Election was the emergence of the Opposition in strength.

In the State elections, the Alliance secured control of seven of the 11 West Malaysian states. Kelantan was wrested by the Pan-Malayan Islamic Party and Penang by Gerakan Rayat. In Perak, the Alliance was reduced to a minority, securing only 19 of the 40 seats. In Selangor State, the Alliance and Opposition were evenly balanced, with either side securing 14 seats. The Alliance is in control of Perlis, Kedah, Negri Semlilan, Malacca, Johore, Pahang and Trengannu.

Several commentators saw in the Election outcome a big blow to the Alliance. For the first time in Malaysia's history, however, the Federal Government must now face up seriously to the prospect of dealing with opposition governments in four of the 11 mainland States.

In Penang, beyond its wildest expectations the moderate Opposition Gerakan Rakyat Malaysia seized 16 of the State Assembly's 24 seats. It will now be able to govern the State on its own. The Gerakan is a newly formed Party of mostly dissidents from the extreme Left Labour Party which boycotted the Elections.

In Malaysia, the Alliance lost 23 seats, and on the personal side there were startling eclipses and revivals. Three Federal Ministers were defeated, including Mr. Senu, Minister of Information, and Dr. Lim Swee Aun, Minister of Commerce and Industry. The personal majority of the Prime Minister, Tengku Abdul Rehman, was reduced by 8,000.

Several well-known Opposition politicians scored high personal successes, particularly Dr. Tan Chee Khoon, of Gerakan, and Mr. Goh Hock Guan, of the Democratic Action Party, whose majorities near Kuala Lumpur exceeded 13,000 and 27,000, respectively. To the dismay of the Alliance, this latter party, remnant of Singapore's presence in the Federation, now becomes the second party in Parliament with 13 seats.

Overall in the Federal Parliament, the Alliance will have a comfortable enough majority, but for the first time in Malaysia's three Elections since Independence, the Alliance share fell just short of 50 per cent.

The most significant increase in vote was recorded by the Pan Malayan Islamic Party, whose championing of Malay resistance to the supposed encroachments of other races increased its second place share to 24.3 per cent.

Paralleling this Government loss of Malay votes, the Chinese component of the Alliance, the Malaysian Chinese Association, also saw its vote eroded seriously by the Opposition parties, and returned only 13 seats compared with 25 in 1964.

The candidate to secure the highest majority in the elections was the Secretary-General of the Democratic Action Party, Mr. Goh Hock Guan in Bungar (Kuala Lumpur) with a difference of 27,402 votes. In the last elections the previous DAP candidates, Mr. Devan Nair got only a majority of 803. Mr. Goh defeated MCA's, Mr. Lew Sip Hon.

In the State elections the Alliance Party won 164 seats, with 122 seats going to the Opposition—PMIP 40, Gerakan 36, DAP 31, PPP 12 and Independents 3.

[Detailed background to the race riots which broke out soon after the Elections and a review of the situation since then will be given in another issue of **Asian Recorder.**]

(**The Straits Times,** Kuala Lumpur and **The Hindu,** Madras)

[Prev. ref. 8905:MAL:A]

B. Economic Growth: Speaking at a trade function in Kuala Lumpur on March 16, the Finance Minister, Mr. Tan Siew Sin, outlined the "phenomenal economic advance" the country had made since 1957.

He said that money in the private sector by the end of 1957 had totalled (Malaysian) $947 million, but 11 years later it rose to (Malaysian) $1,688 million.

He said: "Foreign trade increased during this period from $3,986 million to $7,607 million. Commercial bank deposits were up from $726 million to $2,670 million."

He said the most spectacular rise was in commercial bank loans which rose from $280 million in 1957 to $1,764 million in 1968. "Gold and foreign exchange reserves increased from $1,482 million to nearly $2,000 billion last year, despite massive expenditure in economic and social development.

"If I am not mistaken, Malaysia is the only developing country in Asia and Africa which has actually increased its external reserves since Independence. Our achievement is both unique and unequalled."

In the field of production over the past 11 years, sawn logs, palm oil and palm products and poultry meat had registered increases of over 300 per cent. Signs of growing prosperity in the country could be seen in the rising number of cars and motor-cycles. In 1960, 49,056 motorcycles were registered, but this figure rose to 251,529 in 1967—a fivefold increase. Cars on the road had nearly doubled—from 92,217 in 1960 to 182,447 in seven years.

On the timber industry, he said there were indications that exports this year would supersede tin to become the country's second largest export earner.

(**The Straits Times,** Kuala Lumpur)

[Prev. ref. 8806:MAL:A]

C. West German Assistance: Malaysia obtained on March 18 a $12.5 million loan from West Germany to finance the expansion of Port Swettenham and other "worthwhile projects".

The Loan Agreement was signed in Kuala Lumpur by the Permanent Secretary to the Treasury, Tan Sri Mohamed Sharif bin Abdul Samad, and the West German **Charge d'Affaires,** Dr. K. J. Citron.

The loan, carrying 4.5 per cent interest and repayable within 25 years, was the third to Malaysia under the West German Capital Assistance Programme. The first loan of $16 million was given in 1963. It was for the construction of deep-water berths in Penang-Butterworth. The second loan of $11.5

million was granted in 1965 to buy equipment for the University Teaching Hospital.

(The Straits Times, Kuala Lumpur)

[Prev. ref. 8442:MAL:B]

D. Diplomatic Relations With Rumania: Malaysia established diplomatic relations with Rumania on March 22. A Trade Agreement between the two countries was also signed the same day.

The announcement came during a visit to the country by the Rumanian Deputy Premier, Mr. Gheorghe Radulescu.

In a Press interview before he left Kuala Lumpur on March 23, he said his country was willing to provide technical training to Malaysians in industrial fields. Training at Rumanian wood-processing plants in particular would be helpful to Malaysia because of her rich timber resources.

(The Hindu, Madras)

[Prev. ref. 8485:MAL:A]

MONGOLIA (Outer)

A. Tense Relations With China: *Mr. Harrison E. Salisbury of* ***The New York Times****, after a visit to Ulan Bator recently, wrote that tensions along the Mongolian frontier with China had risen sharply in recent months, bringing a number of small but violent flare-ups.*

So far there had been no outbreaks involving casualties on the scale of recent Sino-Soviet border fighting but, he said, officials disclosed privately that the Chinese had made several serious efforts at subverting the **regime** of Mr. Y. Tsedenbal.

He wrote: "An effort to establish a Chinese faction within the Mongolian People's Revolutionary (Communist) Party was said to have been in the background of several party shake-ups in the last few years.

"Although Ulan Bator has maintained a policy of not publicizing frontier clashes, there have reportedly been frequent probing attempts by Chinese frontier guards. Conflicts have flared repeatedly over the Trans-Mongolian Railway, which is jointly operated by the Mongolians and the Russians. Conflicts over the operations of trains frequently arise. So do wrangles over Mongolian-Chinese railroad operations.

"A Mixed Mongolian-Chinese Commission is supposed to deal with these questions. Its most recent meeting was held at Erh-lien on the Chinese side of the Mongolian-Chinese frontier. When the Mongolian commissioners arrived at the meeting place, it is reported they were immediately locked up by the Chinese as punishment for what the Chinese termed hostile actions of Mongolian authorities towards Chinese interests. They were held for 24 hours, and then immediately returned to Mongolia. The Mixed Commission has held no further meetings.

"The Chinese remain largely confined to their high-walled Embassy compound on a quarter-mile-square plot of ground in the heart of Ulan Bator. About 50 Chinese diplomats are still stationed in Ulan Bator. With their families they make up a group of 125 to 150 Chinese.

"Ten years ago there were possibly 40,000 Chinese workers in Mongolia engaged in a vast variety of building and construction projects. Of this labour force, only about 300 Chinese remain. They no longer have their own housing but are confined to the Embassy compound.

"*Trade with China has dwindled almost to nothing.* Some rice is still purchased and there are occasional items of consumers' goods, such as silks for the traditional Mongol dress, the Del. But the dozens of items which formerly provided the basis of much of Mongolia's retail economy no longer are imported. Some of these items now come from North Korea, but most have simply vanished from the stores.

"The cost to the Mongol consumer of the quarrel with China is considerable. The loss of consumers' goods has not been made up from other sources. Nor has the withdrawal of Chinese construction labour been matched by a comparable introduction of Soviet or East European construction forces.

"The breach with China has cut all ties between Outer Mongolia and Inner Mongolia. Mongols in Ulan Bator express fear that their fellow Mongols in Inner Mongolia have virtually lost their special ethnic status as a result of the enormous influence of great Chinese (Han) immigration into Inner Mongolia which has reduced the Mongol population to a distinct minority. At the same time, political control of the region under the Chinese Cultural Revolution has been taken from Mongol hands. No Mongols hold any position of authority in Inner Mongolia."

The strained relations between the Mongolian People's Republic and China were underscored in May when the Soviet President, Mr. N. Podgorny, visited Ulan Bator (see page 9018). A joint **communique** issued on the conclusion of his visit denounced the "Great-Power chauvinist course of the Chinese leadership."

China responded to the **communique** by accusing the Soviet Union of having turned Mongolia into its "colony" complete with Soviet military bases and troops. China also denied that it had violated the border with Mongolia.

Meanwhile, China's provincial radio in Urumchi (Sinkiang) was alleged by a Yugoslav correspondent in Ulan Bator to have put out a Mongolian-language broadcast disputing the validity of the 1962 Border Agreement with Peking (see page 5013).

(The New York Times and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 5013:CHI:A, 8165:MON: A, 9018:MON:A]

NEPAL

A. Expulsion Of Dalai Lama's Chief Representative Denied: The Government described on June 1 as "erroneous" a news item published in a section of the Press that the Government had "expelled the chief representative of the Dalai Lama on May 29."

A Government statement, contradicting the item regarding expulsion of Mr. Sonam Wangyl Sarge, who had been described as "chief representative of the Dalai Lama" was released by Nepal's official news agency, **RSS.**

The statement said: "The Nepal Government had never had any representative of the Dalai Lama officially or unofficially. As far as the Government was concerned, Mr. Sonam Wangyl Sarge lived in Nepal like any other Tibetan refugee in the Kingdom."

A high Government official said: "Mr. Sonam Wangyl Sarge was only warned by the police against his undesirable activities. What was only a law and order matter has been given a political colour by some Indian newspapers."

(The Times of India, New Delhi)

[Prev. ref. 8095:NEP:A]

SYRIA

A. Recognition To East Germany: It was officially announced in Damascus on June 5 that Syria had given full diplomatic recognition to East Germany.

Syria is the third Arab country to grant East Germany full diplomatic recognition in the last two months after Iraq and Sudan.

The West German Government thereupon accused Syria of committing an "unfriendly act" by recognizing the East German Government.

(The Times, London)

[Prev. ref. 6953:SYR:A]

THAILAND

A. S-EATO Ministerial Council Session: The Ministerial Council of the South-East Asia Treaty Organization (S-EATO) met in Bangkok on May 20 and 21.

An Islamabad message said that Pakistan did not participate in the drafting of the joint **communique.** A Pakistan Foreign Office spokesman said his country was represented only by its Ambassador "which is in line with Pakistan's attitude towards S-EATO."

It wound up earlier than scheduled after calling for greater emphasis on political and counter-insurgency activities.

A **communique** issued at the end of the conference said: "The Council was convinced that greater emphasis should be placed on political consultations, counter-insurgency, and economic and cultural co-operation to make the Organization's role more effective and more responsive to the new Communist tactics being employed to undermine the stability and orderly progress of our societies."

The Ministers from the United States, United Kingdom, the Philippines, Australia, New Zealand and Thailand, who drafted the **communique** agreed that the most significant development during the past year "has been the prospects for peace in the area opened up by the Paris meeting."

It said that "Communist aggression, both over and by subversion, infiltration and terrorism remained a major threat to the peace and security of the region. The Council expressed its determination that this aggression must not be allowed to succeed."

The Council was also convinced that the "Communist threat" in the Treaty area could not be considered in isolation from problems of international peace and security, and the outcome of the struggle now going on in South-East Asia would have a profound effect throughout the world.

The Council agreed that the "most significant development" during the past year had been "prospects for peace" in the Treaty area opened up by the Paris peace talks and the efforts of the United States and South Viet-Nam in consultation with their allies to bring about a peaceful and just solution to the Viet-Nam conflict.

It said the Council also signified its approval of proposals made by President Richard Nixon and South Viet-Nam for: (1) The mutual withdrawal of external forces from South Viet-Nam; (2) Respect for the demilitarized zone in Viet-Nam; (3) Full implementation of the 1962 Geneva Agreements on Laos; (4) Respect for independence, neutrality and territorial integrity of Cambodia; and (5) the release of prisoners of war.

The **communique** said: "The Council noted that the Paris talks have been going on for a year and expressed the hope that the other side would now respond constructively to these proposals."

The Council expressed "deep concern" over "North Viet-Nam's continued aggression against South Viet-Nam." It also noted the progress being made by the South Viet-Namese armed forces in improving their ability to withstand the "armed aggression of North Viet-Nam," and "counter-subversive activities."

It welcomed the "determination of the South Viet-Namese Government" progressively to assume greater responsibility for the "defence of the country." "The Council stated its conviction that the effective defence of the Republic of Viet-Nam in its current struggle is essential to the security of South-East Asia and will demonstrate that Communist expansion through aggression of this kind will not be permitted."

It noted the "intention of S-EATO members" to continue their "aid to South Viet-Nam" and contribute to her reconstruction after the war. It also welcomed the intention of other countries around the world to take part in the reconstruction work.

On Laos, the **communique** expressed grave concern over the ""continuing presence of North Viet-Namese military forces" and the "use of Laotian territory" for "infiltration of troops and supplies into South Viet-Nam and Thailand."

It declared its support for the Government of the Laotian Prime Minister, Prince Souvanna Phouma and called for the full implementation of the Geneva Agreements on Laos.

S-EATO military advisers who met in preparation for the Ministerial conference issued a statement on May 16 emphasizing the need to improve the military effectiveness of member-States to counter widening subversion and aggression.

In a report on the political situation in the Treaty area, Gen. Jesus Vargas, the S-EATO Secretary-General, said subversion must be expected to continue regardless of the outcome of the Paris talks.

(The New York Times and **The Statesman,** New Delhi)

[Prev. ref. 7769:AOA:B]

B. Security Agreement With Formosa: At the end of a six-day visit to Bangkok by the Formosan Defence Minister, Gen. Chiang Ching-kuo on May 17, it was officially announced that Thailand and Formosa had reached agreement on exchange of information and intelligence on security matters.

Observers saw in the agreement the beginning of a new defence alignment in East Asia.

The agreement will seek closer co-operation between the Thai intelligence apparatus and 6,000 or so remnants of the Kuomintang army in Burma and north Thailand who combine gathering of intelligence with the management of the opium trade.

Coming on the eve of the meeting of the Ministerial Council of the the South-East Asia Treaty Organization, Gen. Chiang's visit intensified speculation that Formosa and South Korea might be invited to join the troubled alliance or a new pact that could replace S-EATO. This much vaunted possibility was raised in discussions with Thai leaders.

At a news conference before his departure, Gen. Chiang evaded direct answer on this question, saying: "We have not considered joining S-EATO yet." But he volunteered the observation that Thailand was as equally committed to the anti-communist struggle as South Korea, which he had visited in February.

Strengthening speculation on the KMT search for new allies, newspapers in Taipeh greeting Gen.

Chiang's return declared that the Bangkok talks had ushered in "a new era" in the struggle against the Chinese Communists.

(**The Times**, London)

C. Air Agreement With Pakistan: Thailand and Pakistan signed in Bangkok on May 17 an Air Agreement which will allow the airlines of both countries to stop at each other's airports and pick up passengers.

The outgoing Pakistan Ambassador, Mr. Hayat Junejo, and the Thai Deputy Foreign Minister, Mr. Chitti Sucharitakul signed the Agreement.

The Agreement was originally initialled in Karachi two years ago. Since then, Pakistan International Airlines had set up an office in Bangkok.

The Agreement, effective immediately, will allow Thai International Airways to stop in Dacca and pick up passengers and cargo there on the way to New Delhi, the present farthest west-bound point on Thai international routes.

Pakistan International Airlines planes from Dacca will stop in Bangkok on their way to Pnom Penh (Cambodia).

*(**The Statesman**, Calcutta)*

ASIA OUTSIDE ASIA

A. Canada Adopts "One-China" Policy: According to Ottawa reports, Canada has veered round to a "one-China" policy in deference to the Peking stand that it will not discuss diplomatic relations with any country which also recognizes the KMT Government in Formosa.

The Canadian External Affairs Minister, Mr. Mitchell Sharp, told the House of Commons on May 30 that "we cannot recognize both (Peking and Taiwan)."

Until now Canada's China policy, as stated by the Premier, Mr. Elliott Trudeau, was aimed at opening up diplomatic ties with the Peking regime and recognizing it as the Government of China, even while continuing to accord recognition to Formosa as a separate entity.

This two-China formula had not found favour with Peking and talks in Stockholm between Canadian and Chinese representatives on establishing diplomatic relations between their two countries had remained stalled for months.

The expectation was that the change in Canada's policy would lead to early diplomatic recognition of Peking by Ottawa. Though Ottawa had not said it would sever relations with Formosa to suit Peking, its recognition of China would most likely lead to Gen. Chiang himself breaking off his present ties with Canada. This was what happened when Gen. Charles De Gaulle of France established ties with China.

Mr. Trudeau's bid to recognize Peking had never gone down well in Washington which had consistently withheld recognition from Peking.

Recently, several US Senators had formulated a "sense of Congress" resolution which if passed would enable USA to explore the possibility of recognizing China at some future date. But this "future date" may be quite far away. The latest change in Canada's China policy was, therefore, not welcomed in Washington, which naturally fears that Canada's example will be followed by other members of the Western alliance. Italy for one has been talking for some time about following the Canadian lead.

(**The Hindu**, Madras)

[Prev. ref. 8501:AOA:C]

B. Venus Unsuitable For Man—Soviet Space Capsules' Findings: The Soviet Academy of Sciences revealed in Moscow on June 4 that the three Soviet space capsules that had descended into the atmosphere of Venus had gathered nearly identical data showing the planet to be unsuitable for man.

Venus-4 had radioed that the atmosphere contained 90 to 95 per cent of carbon dioxide and not more than seven per cent of nitrogen. Venus 5 and 6 had reported 99 per cent of carbon dioxide and 2 to 5 per cent of nitrogen.

The two experiments differed slightly on temperature and pressure estimates. **Venus-4** reported 270 degrees Centigrade (518 Fahrenheit) while **Venus 5** and **6** reported 400 degrees Centigrade (752 Fahrenheit).

The reports indicated that none of the three craft had succeeded in transmitting from the surface.

(**Tass**)

[Prev. ref. 9026:AOA:J]

C. Czech Liberals Expelled From Communist Party Central Committee: It was announced in Prague on May 31 that Mr. Ota Sik, Mr. Frantisek Kriegel and the signatories of the 2,000-word manifesto published in the Spring of 1968 had been expelled from the Czechoslovak Communist Party Central Committee.

Mr. Sik and Mr. Kriegel were not signatories.

The announcement of the expulsions was made by the Party's First Secretary, Mr. Gustav Husak.

He said the Central Committee had decided to exclude from its ranks "those who have refused to abandon their false platform." He then named the former Deputy Premier, Mr. Ota Sik—one of the main architects of the economic reforms proposed after the fall of Mr. Novotny—and the former President of the National Front, Mr. Frantisek Kriegel, as being among those expelled together with all members who had signed the 2,000-word manifesto.

The 2,000-word manifesto had been published on June 27, 1968. It was drawn up by Czech writer Ludvik Vaculik and called for a speeding up of the democratization process.

The manifesto, signed mainly by writers and intellectuals, had supported the liberal ideas introduced by the then party leader, Mr. Alexander Dubcek, after the ousting of President Antonin Novotny.

(**The Times**, London)

[Prev. ref. 8977:AOA:B]

D. Mars Landing Predicted: The British astronomer, Sir Bernard Lovell on May 9 predicted a Russian or American attempt to land on Mars within 10 or 20 years.

Sir Bernard, Director of the Jodrell Bank space-tracking station, also said that man could make a close approach to Venus, but a landing there would be difficult because of boiling temperature and a poisonous atmosphere. "I don't regard a Mars landing as fanciful. I am sure it is something which is in both the Russian and American programmes. It is now not a question of technical ability but a matter of expense."

(**The Times**, London)

[Prev. ref. 6218:AOA:A]

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AFGHANISTAN

A. Mrs. Indira Gandhi's Visit: The Prime Minister of India, Mrs. Indira Gandhi arrived in Kabul on June 5 on a five-day good-will visit.

Heading the large group present at the airport to receive her were the Prime Minister, Mr. Nur Ahmed Etemadi, Mrs. Etemadi and members of the Cabinet. Mr. Etemadi introduced his Cabinet colleagues to Mrs. Gandhi. Later, she inspected a ceremonial guard of honour.

The same evening, Mrs. Gandhi called on King Zahir Shah at the Royal Palace. She also held talks with Mr. Etemadi on matters of mutual interest.

Later, speaking at a banquet given by Mr. Etemadi in her honour, Mrs. Gandhi said that India and Afghanistan could greatly expand and diversify their trade and exchange of technological skills. "There is hardly a home in India which does not consume or want to consume your produce. The absence of direct means of communication, however, hampered the expansion of trade between the two countries."

She said that the two countries had chosen the paths of planned development and non-alignment. "Our non-alignment is not a sign of indifference to world problems. On the contrary, it is our concern for peace and progress that has convinced us of the dangers of military blocs. Our national interest and sense of priorities urge friendship and co-operation with all."

Meeting With Khan Abdul Ghaffar Khan:

On June 6, Mrs. Gandhi met the Pathan leader, Khan Abdul Ghaffar Khan.

Discussions between Mrs. Gandhi and Khan Abdul Ghaffar Khan, who had fought shoulder to shoulder with Mahatma Gandhi and Mr. Jawaharlal Nehru for the freedom of the sub-continent, were marked by sentiment and poignancy. Mrs. Gandhi presented to him a piece of bluish grey khadi which he usually wears and also an illustrated copy of the Quran.

Mrs. Gandhi extended a personal invitation to Khan Abdul Ghaffar Khan to visit India. He has been awarded the Nehru Award for international understanding and is expected to come to India in October. He usually stays at Jalalabad and occasionally visits Kabul.

Reception:

On June 6, Mr. Etemadi held a reception in honour of Mrs. Gandhi at the Foreign Ministry.

He welcomed her on her first official visit to Afghanistan as Prime Minister. He said the people of India had won freedom after "a century of struggle against imperialism and under very difficult circumstances."

He referred to the Pakhtoonistan issue and said Afghanistan wanted to solve this problem with Pakistan in an honourable and peaceful manner.

Turning to West Asia, he said the occupation of Arab territories by Israel had created an undesirable situation and posed a threat to peace.

Talks:

At their first formal talks on June 7, Mrs. Gandhi and Mr. Etemadi decided on increased contacts between the two countries in the agricultural field and a Joint Economic Commission to ensure better co-operation.

Present on the Afghan side were the First Deputy Prime Minister, Mr. Ali Ahmed Popal and Second Deputy Prime Minister, Mr. A. Yaftali.

Indian officials who participated in the talks were the External Affairs Secretary, Mr. Kewal Singh and the Joint Secretary, Mr. R. D. Sathe.

Address To Parliament:

On June 9, Mrs. Gandhi was extended a rare honour when she was invited to address both Houses of the **Jirga** (Parliament).

Never before had a visiting dignitary addressed the bicameral Parliament.

In her address, Mrs. Gandhi dealt largely with the difficulties a developing country had to encounter in banishing centuries-old poverty and backwardness. In this context, she referred to the identical tasks facing the two countries and the progress made in India in the scientific and technological fields. "Today we make aircraft, machine tools and heavy chemicals, not to speak of a wide range of items from antibiotics to automobiles. We export engineering goods and sophisticated instruments to many advanced nations."

She briefly referred to the international situation and emphasized the need for maintaining peace for concentrating on development works.

She expressed the sympathy of the people of India for the people of Viet-Nam and the Arabs, especially Palestinian refugees.

She asserted that India resolutely opposed **regimes** like those in South Africa, Angola and Mozambique which were based on the doctrine of racial superiority. "The Indian stand on these questions has been consistent and firm and identical with the attitude of the Afghan Government."

Earlier, Mr. Etemadi, while introducing Mrs. Gandhi to the Members of Parliament, specially referred to the contribution made by the people of India to the independence movement in his country and stated that Afghanistan's relations with India were an epitome of co-operation in international affairs.

Reception By Women's Welfare Society:

Earlier, on June 9, Mrs. Gandhi was given a reception by the Women's Welfare Society. She presented to the Society a cheque for Rs. 12,000, six sewing machines and six knitting machines.

The President of the Society, Mrs. Salehah Farooq Etemadi, welcomed Mrs. Gandhi and gave an account of the progress made by Afghan women in the last 10 years.

On behalf of the Society, an artistic table-cloth made in Kandahari was presented to Mrs. Gandhi.

Mrs. Gandhi also entertained Khan Abdul Ghaffar Khan, the self-exiled Frontier leader, at a private lunch. Her other engagements included a meeting with Shah Wali Khan, the Victor of Kabul.

She presented to the Agriculture Minister, Mr. Akbar Raza, agricultural implements worth more than Rs. 2,00,000.

She also presented medicines

worth about Rs. 10,000 to the Health Minister, Mrs. Kubra Noorzai.

Joint Communique:

In a joint **communique** issued on June 10, Mrs. Gandhi and Mr. Etemadi re-affirmed their faith in the principles embodied in the Tashkent Declaration for finding solutions to differences between States.

They expressed the hope that the implementation of this significant Declaration would lead to peace in the region and would also be in the larger interest of peace in the world.

The **communique** announced the setting up of a Joint Commission at ministerial level to study and plan various projects for the mutual benefit of India and Afghanistan based on the co-ordination of the respective resources and capabilities of each country. The Commission would examine all measures necessary to expand the trade between the two countries.

In this context, the two Prime Ministers agreed that co-operation among the countries of the region was of great importance. They expressed the hope that the existing difficulties in the way of the land transit trade of the region would be ended soon so that economic co-operation and trade between the countries of the region could be developed to the maximum extent for the benefit of the peoples of these countries.

They noted with satisfaction the great scope that existed for collaboration in the economic and technical fields, particularly in irrigation, power, agriculture, small-scale industries, education and culture. Mrs. Gandhi agreed to place at the disposal of the Government of Afghanistan technical expertise available in India in these fields.

In a reference to West Asia, the **communique** expressed deep concern at the continued occupation of Arab territories by Israel. The two Prime Ministers stressed that while a comprehensive solution should be found through the implementation of the Security Council resolution of November 22, 1967, any delay in withdrawal by Israeli forces from the occupied areas presented dangerous possibilities.

On Viet-Nam, they were of the view that a solution could be found only through negotiations and that the provisions of the 1954 Geneva Agreement provided an acceptable basis for such settlement. They hoped that the talks being held in Paris would lead to an early settlement.

The following are excerpts from joint **communique**:

"At the invitation of His Excellency the Prime Minister and the Government of Afghanistan, the Prime Minister of India, Mrs. Indira Gandhi, visited Afghanistan from June 5 to 10, 1969 and was accorded an enthusiastic and warm reception by the Afghan people wherever she went.

"As the discussions revealed that there existed a considerable scope in various fields for economic and technical assistance and cultural co-operation, the two Prime Ministers agreed to set up a Joint Commission at Ministerial level. The Joint Commission would, **inter alia,** study and plan various projects for the mutual benefit of the two countries based on the co-ordination of the respective resources and capabilities of each country. The Commission would also examine all measures necessary to expand the trade exchanges between India and Afghanistan.

"In the above context, the two Prime Ministers agreed that co-operation among the countries of the region was of great importance. They expressed the hope that the existing difficulties in the way of the land transit trade of the region would be ended soon so that economic co-operation and trade between the countries of the region could be developed to the maximum extent for the benefit of the people of these countries.

"It was specially noted that the recent development of the road net-work in Afghanistan has greatly enhanced the possibilities of land transport and overland trade between the countries of the region.

"The Prime Ministers expressed the conviction that the policy of non-alignment had been re-affirmed by the loosening of military alliances and the growth of forces for peace and international co-operation. They emphasized the importance of the acceptance of the principles of peaceful co-existence and peaceful methods of settlement of disputes by the world community for safeguarding international peace and security.

"The two Prime Ministers re-affirmed their faith in the principles embodied in the Tashkent Declaration for finding solutions to differences between States and the hope was expressed that the implementation of this significant Declaration would lead to peace in the region and would also be in the larger interest of peace in the world.

"The Prime Ministers were of the firm opinion that an early conclusion of a comprehensive Treaty on general and complete disarmament, both nuclear and conventional, under effective international supervision would be a vital contribution to the maintenance of world peace and security. They voiced their concern that there had been little progress so far in this direction and expressed the hope that the 18-nation Disarmament Committee would give urgent consideration to this important matter.

"They re-iterated their firm opposition to any form of imperialism, colonialism or its remnants and neo-colonialism. They also noted that apart from the maintenance of peace and the eradication of all forms of exploitation by one country of another, the primary concern of developing countries is to raise the living standards of their people as rapidly as possible during the Development Decade. The two Prime Ministers urged the advanced nations to pursue more constructive trade policies and show a deeper understanding of the role of trade in development so that dependence on credits can be reduced.

"The Prime Ministers expressed the view that a solution to the Viet-Nam problem can be found only through peaceful negotiations and that the provisions of the 1954 Geneva Agreement provide an acceptable basis for such *settlement* and hoped that the talks now being held in Paris would lead to an early settlement.

"The two Prime Ministers expressed deep concern at the continued occupation of the Arab territories by Israel. They stressed that while a comprehensive solution should be found through the implementation of the Security Council resolution of November 22, 1967, any delay in withdrawal by Israeli forces from the occupied territories was fraught with further dangerous possibilities.

"The two Prime Ministers strongly condemned the racialist and colonialist policies pursued by South Africa, Rhodesia and Portugal and expressed their solidarity with all those countries and organizations struggling to bring to an end these policies which directly contravene the Charter of United Nations.

"The Prime Minister of India thanked the Prime Minister and Government of Afghanistan for their warm and cordial hospitality. She extended an invitation to the Prime Minister of Afghanistan to visit India at a convenient date. The Prime Minister of Afghanistan accepted the invitation with pleasure."

(**Kabul Radio, The Times of India**, New Delhi) and **The Hindustan Times,** New Delhi)

[Prev. ref. **8456:INI:A, 8995:INI:L]**

B. Mr. A. Kosygin's Visit: The Soviet Premier, Mr. A. Kosygin, paid a five-day official visit to Kabul in the second week of June.

A joint **communique** issued at the end of talks between Mr. Kosygin and King Zahir Shah said that there are favourable prospects for expansion of trade and economic co-operation between their two countries.

It said that economic co-operation between the two countries without political strings "has played an important role in the creation of foundations for economic progress of the people of Afghanistan."

The Soviet side, it said, extended appreciation of Afghanistan's policy of neutrality and independence.

The two countries stressed their commitment to international detente ending the arms race, non-proliferation of nuclear arms and a political settlement in Viet-Nam. They took note of Israel's "provocative" actions against the Arab countries and agreed that there "could be no just peace in the Middle East without the withdrawal of Israeli troops" from the occupied territories.

(Tass and **Kabul Radio**)

[Prev. ref. 8693:AFG:A]

BHUTAN

A. Democratic Reforms Accepted By National Assembly: Bhutan has emerged as the world's most progressive monarchy following the acceptance by the Tsongdu (National Assembly) of King Jigme Dorji Wangchuk's proposal to democratize the royal rule.

During its Summer session, the 150-member Assembly unanimously passed a constitutional amendment making continuity of any monarch's rule dependent on popular approval. The amendment provides that if the Assembly passed by a two-thirds majority a vote of no-confidence in the King, he must abdicate in favour of the next royal successor. The successor will, however, have to be from the present Royal Wangchuk dynasty.

Under the new constitutional provision, while the King must mandatorily seek a vote of confidence of the Assembly every three years to be in power, the Assembly may bring a vote of no-confidence any time. The voting will be by secret ballot.

Keeping in line with the constitutional reform he himself initiated, the King sought the first vote of confidence immediately after the Assembly had adopted his proposal. Of the 137 members present, 133 members voted in his favour, two voted against while two abstained.

Commenting on the two votes cast against him, the King said that it was evidence of the robust democracy in action.

Last year, the Tsongdu had accepted other constitutional reforms which made the National Assembly a sovereign body by abolishing the King's veto powers on Bills and resolutions adopted by the Assembly.

During its 23-day session, the longest on record, members raised the question of Bhutan's application for membership of United Nations. The King's step-brother, H. H. N. Wangchuk, who attended the last session of the UN General Assembly, told the Members that he would be submitting a report on the subject. He said that many aspects—financial, political and organizational—had to be considered before taking a decision on this vital question. Bhutan was already a member of the Colombo Powers' Conference and was recently admitted as a member of the Universal Postal Union.

(**The Statesman,** Calcutta)

[Prev. ref. 8693:INI:A]

INDIA

SUMMARY: Telengana Agitation; Round-up Of Naxalites In Andhra; Gen. S.H.F.J. Manekshaw Takes Over As Army Chief; CPI(M) Village Volunteer Force; Electricity Generation Survey.

A. Telengana Agitation Resumed: The Telengana Praja Samithi launched the second phase of its agitation for a separate State on May 26 when volunteers offered satyagraha and courted arrest in the nine districts of the region.

In the twin cities of Hyderabad and Secunderabad, the Samithi volunteers offered satyagraha at ten places.

The agitation continued for several days.

Army Called Out:

On June 2, the Army was called out to aid the civil authorities in maintaining law and order in the twin cities of Hyderabad and Secunderabad.

The situation in Hyderabad worsened on June 2 when, for the first time, protagonists of an integrated State and separate Telengana clashed in the busy shopping centre of Abid Circle.

As the news of the clash spread quickly throughout the city, hundreds of people came out into the streets and indulged in an orgy of violence, arson and vandalism.

The Chief Secretary to the Government announced that the Army had been called out to aid the civil authorities in Hyderabad and Secunderabad for the conduct of public examinations beginning next day (June 3).

There was military patrolling and CRP vigilance in Hyderabad and Secunderabad on June 3 when examinations were held. But the agitators put up road-blocks, attacked buses and intimidated students. The academic authorities claimed an attendance of 80 to 90 per cent at examinations. Following this, the agitators indulged in violence and there was police firing resulting in the death of about 13 persons.

The demonstrations continued for the next few days.

Mrs. Indira Gandhi's Visit:

The Prime Minister, Mrs. Indira Gandhi, flew to Hyderabad at 10 p.m. on June 5 and appealed to the leaders of various political parties in Andhra Pradesh to help restore normalcy in the State.

She assured that all aspects of Telengana and the connected issues could be discussed in a calm atmosphere. She also made it clear that violence must stop immediately.

She had detailed discussions with the Chief Minister, Mr. K. Brahmananda Reddy, the President of the Telengana Praja Samithi, Dr. M. Chenna Reddy, Mr. Konda Laxman Bapuji, leaders of the Swatantra Party, SSP, Secretary of the Communist Party of India, and Jana Sangh and student leaders.

Mr. Y. B. Chavan's Visit:

The Central Home Minister, Mr. Y. B. Chavan, visited Hyderabad for two days on June 7 and 8 and met a number of persons with a view to bring about a proper understanding and atmosphere and the withdrawal of agitation.

On June 8, Mr. Chavan issued a statement calling for the suspension of all agitational activity in Telengana so that solutions to the problems might be found in an atmosphere "free from passion and acrimony."

He said that the problems of Telengana were "very serious and complex which require objective and most careful consideration of the Prime Minister and the Central Cabinet. This consideration will be given as soon as possible."

He appealed to the people, meanwhile, to ensure normal conditions in which "after further consultations with their leaders, we may work out fair and just solutions for their problems."

Mr. Chavan read his statement to newsmen shortly after 10 p.m. at the conclusion of two days of hectic consultations with hundreds of people from all walks of life on problems connected with the Telengana agitation.

He did not make a specific reference to the demand for a separate State of Telengana in his statement, but said he recognized "the strength of feeling" that existed on the problems of Telengana and appreciated their urgency.

The following is the text of his statement:

"Since my arrival at Hyderabad, I have spent most of my time meeting people from different walks of life, representatives of various organizations, Members of Parliament and the State Legislature, persons connected with local bodies, and *other leaders of public opinion.*

"Various views have been expressed and suggestions offered for dealing with the distressing situation prevailing in Telengana. I recognize the strength of feeling that exists on the problems of Telengana.

"I appreciate the urgency of the problems, the very serious and complex problems which require objective and most careful consideration of the Prime Minister and the Central Cabinet. This consideration will be given as soon as possible.

"But, in the meantime, it is essential that normal conditions are maintained so that solutions may be found in an atmosphere free from passion and acrimony.

"May I, therefore, urge and appeal that there should be suspension of all agitational activity. In the present circumstances, such activity would lead to violence and disorder and set in motion a chain of events which cannot but do grave harm to the interests of the people concerned and indeed of the whole country.

"I have been told that non-gazetted officers of Telengana propose to start a strike on June 10. They have the right to press for removal of their grievances and to ask for sympathetic consideration from the State Government and from the Central Government if any if their grievances relate to matters with which we are concerned. But it is wrong for Government servants to seek to paralyze the administration in pursuit of a political objective.

"I hope all concerned will think coolly about the serious implications of Government servants going on strike for a political purpose and that the contemplated strike will be given up.

"It has been mentioned to me that there is nervousness among the people from the Andhra region residing in Telengana and a few incidents have already occurred. I am very happy to have assurances from many of those who met me that whatever may be their political views, they entertain brotherly feelings towards people from the Andhra region with whom they would maintain harmonious relations under all circumstances. I hope people from the Andhra region will be given no cause for any nervousness."

Mr. K. Brahmananda Reddy On His Resignation:

Also on June 8, the Andhra Pradesh Chief Minister, Mr. K. Brahmananda Reddy, offered to step down from office if that could help the integration of the State.

He said: "I am interested in the unity of 40,000,000 people of Andhra Pradesh and the rapid economic development of the region which its sources warrant. If the interests of both the nation and of Andhra Pradesh would be secure by my giving up the office of Chief Minister, my resignation is a small matter."

He however, made it clear that he would not resign as a result of pressure tactics or to "satisfy the vanity of some persons."

Asked whether he would seek a fresh vote of confidence of the Congress Legislature Party, he said: "I do not think the question of confidence of the party in me has arisen or is doubted by any one. If I do not have that confidence, I have no right to exist, trouble or no trouble."

He attributed the current agitation to the attempts of some "disgruntled" politicians to exploit "some mistrust and suspicion which have been created" (in Telengana).

He said that his former colleague, Dr. M. Chenna Reddy was motivated by his "personal antagonism" towards him (Chief Minister) and was "trying to deceive the public."

He said the question of change in leadership in Andhra Pradesh had not figured in his talks so far with the Prime Minister or the Home Minister.

On the suggestion for President's Rule in the State for a brief period to "cool off" tempers, he said it might only increase the appetite of agitators who would go on "with more violence."

He pointed out the problem posed by the Telengana agitators was full of ramifications which had to be faced by the Centre. "I must say I am bearing the nation's cross. It is not a question of law and order. It is a question of what will happen if disintegration of linguistic States takes place. How do you meet a situation if demands arise for creating two or three linguistic States out of one?"

Asked about his solution of the problem in Telengana, he said: "We are prepared to have the Regional Committee, which is an important part of our Assembly, being given statutory powers, if it would inspire better confidence in the people."

He said that the State Government had accepted 51 out of 54 recommendations made by the Regional Committee so far and had always respected the opinions of the Committee.

Congress Working Committee's Talks Fail:

The Congress Working Committee discussed the Telengana issue on June 19 and 20. It invited Dr. M. Chenna Reddy and Mr. Konda Lakshman Bapuji for talks, and after some hesitation they arrived in New Delhi on June 21 and had discussions with the Committee. But, they stuck rigidly to their three demands—President's Rule, resignation of the Chief Minister, Mr. K. Brahmananda Reddy and a separate Telengana.

The Congress Working Committee rejected the three demands, but decided to continue the dialogue with the Telengana leaders. The Deputy Prime Minister, Mr. Morarji Desai, was asked to visit Hyderabad for the purpose, but Dr. Chenna Reddy "advised" him not to, and Mr. Desai abandoned the visit.

In Bangalore, the Congress President, Mr. S. Nijalingappa, said on June 24 that the talks with Telengana leaders had failed for the time being.

Telengana Congress Workers' Convention:

A Convention of Telengana Congress workers on June 1 urged the Government of India to suspend the State Legislature for a period of six months and impose President's Rule.

It also urged the Central Government to concede the just and genuine demand for a separate Telengana State immediately, in deference to the wishes of the people of Telengana and Andhra.

The lengthy resolution listed the acts of commission and omission of the State Government since the merger of the two regions in 1956. The violation of the 1956 Gentleman's Agreement and the continuous injustice done to Telengana and the failure of successive Chief Ministers to redress the grievances—all culminated and resulted in the unleashing of a mass upsurge in the entire Telengana region.

It said that the Prime Minister's eight-point programme could not satisfy anybody. The resolution quoted extensively from the Fazl Ali Commission's report which recommended the formation of a separate Telengana State as early as in 1956 and said that "in fact, smaller States would be more viable and administratively well-knit units, which would not only bring prosperity and progress to the people of the area but would also be a boon to them."

The Convention also adopted another resolution to constitute the Telengana Pradesh Congress Committee and decided to request the A-ICC to give due recognition to it.

The Convention, held without the permission of either the Andhra Pradesh Congress Committee or of the All-India Congress Committee, expressed the view that "if a Congress organization at the Telengana level is not promoted, the very existence of the Congress in Telengana would be at stake, leaving a vacuum in the political life of the people of this part of the country, causing great damage to the interests of the public at large and danger to the very functioning of democracy."

Recognition To Telengana Unions Withdrawn:

The Andhra Pradesh Government withdrew on May 25 the recognition to the Telengana NGOs' Association and the State Teachers' Union for organizing the "token strike" on April 15 in connexion with the Telengana agitation.

The Government also dismissed the President of the Telengana NGOs' Association, Mr. K. R. Amos, for "acting in a manner prejudicial to the security of the State." Mr. Amos was working in the Industries Department of the State Government.

The dismissal order said: "The Governor is satisfied that in the interests of security of the State it is not expedient to hold an inquiry under Clause 2 of Article 311 of the Constitution."

The General Secretary of the State Teachers' Union, Mr. P. Ramabrahmam, criticized the withdrawal of recognition and said that the action was "vindictive." He accused the Government of "suppressing legitimate Union activities." The order would only strengthen the determination of teachers to lend more support to the movement for a separate Telengana.

Essential Services Ordinance:

On June 1, the Andhra Pradesh Government promulgated an Ordinance to provide for the maintenance of certain essential services and the normal life of the community in the State.

Under the Ordinance, called the Andhra Pradesh Essential Services Maintenance Ordinance, 1969, the Government took wide powers to deal with any situation arising from the threat to paralyse the administration in Telengana given by the Telengana Praja Samithi.

Under it, no person employed in any essential service to which the order relates shall go or remain on strike. It makes any strike declared or commenced, by person employed in any of the specified services as illegal. All those who commence a strike or otherwise take part in any such strike shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to Rs. 200 or with both.

It came into effect at once.

Separate Telengana Demand By BKD:

The National Executive of the Bharatiya Kranti Dal (BKD) on May 29 passed a resolution supporting the demand for a separate Telengana State. This alone, it said, would give the State much-needed peace and ensure its proper development.

The Executive was, however, of the view that recourse to any violent movement to secure a separate State militated against the democratic way of life. It disapproved of the violence and destruction of property which followed in the wake of the demand for a Telengana State. At the same time, it felt that the Central Government was responsible for such violent activities.

Congressmen Expelled:

On May 26, the Executive Committee of the Andhra Pradesh Congress Committee expelled six legislators from the party for three years for infringing party discipline.

All members, excepting Mr. J. Chokka Rao, President of the Telengana Regional Committee, voted in support of a resolution to this effect.

The expelled legislators were: Mr. K. Achutha Reddy, Mr. M. Manik Rao, Mr. T. Anjaiah, Mr. M. M. Hashim, Mr. G. Raja Ram and Mr. P. Navasinga Rao.

Mr. Chokka Rao told newsmen that he voted against the resolution because he felt that the situation was such that disciplinary action at present would only aggravate the situation.

He said he would shortly be seeking the intervention of the Congress President on the expulsion issue and would also urge the creation of a separate Pradesh Congress Committee for Telengana.

China's Support For Telengana:

In a broadcast on June 13, **Peking Radio** said that China supported the agitation for a separate Telengana and said that "the heroic people of Telengana have once again risen in rebellion against Indian reactionaries."

It recalled that "even during 1946-51, the people of Telengana had launched an armed struggle against the reactionaries."

It added: "In 1948, the Nehru Government had despatched troops to suppress the people and had failed to put down the struggle. Only by taking the road to armed struggle can the people of Telengana overthrow the rule of feudal landlords and the bourgeoisie".

(**The Hindu**, Madras, **The Statesman** and **The Times of India**, New Delhi)

[Prev. ref. 8934:INI:F]

B. Campaign To Crush Naxalites In Andhra Pradesh: Twelve Naxalites, including two (gang) leaders, were killed on May 27 in four encounters with the police at various places in the Parvathipuram area of Srikakulam district in Andhra Pradesh, the centre of Naxalite activities.

Seven more Naxalites, including Panchadri Krishnamurthy, stated to be a leader, were killed in Jalantharkota and Pathankota hills.

In another encounter at Aviri in Parvathipuram area, a Naxalite leader, Pyla Bhumudu of Mondemal, was killed when about 100 of them attacked the police party while they were combing the area for the absconding accused. The attackers hurled three country bombs and fired two gun shots at the police, but fled when police retaliated.

The police also intercepted a gang of dacoits who were carrying away looted grains at Chintalakoridi forest. One dacoit was killed in the firing, while the others fled.

At Kagithada hills, in Parvathipuram area, there was an exchange of fire between another dacoit gang and the police in which three dacoits were killed.

Naxalites Claim "Liberation" Of Tribal People:

The Naxalities (pro-Peking extremist Communists) claimed on June 14 to have "liberated" a number of tribal people in the Agency area of Srikakulam district (of Andhra) from the liability to pay back loans to the landlords.

A pamphlet issued by them said that promissory notes to the value of Rs. 5,00,000 executed by the tribal people had been seized from the landlord money-lenders and destroyed. Mortgaged gold of about 200 tolas had also been seized from landlords and restored to the real owners.

The pamphlet also claimed that eight landlords were done to death and 29 armed police personnel were liquidated physically.

The pamphlet was issued in the name of the "Srikakulam District Communist Committee" and the "Jilla Raitanga Sangram Samithi" of Srikakulam.

"Disturbed Areas" Notification:

On June 16, the Andhra Pradesh Government declared in a notification the Parvathipuram and Palakonda and Pathapatnam Agency area in Srikakulam district as "disturbed areas."

The notification empowers the police to open fire on those violating prohibitory orders in these areas and certain bailable offences will become non-bailable.

(**The Hindu,** Madras)

[Prev. ref. 8970:INI:D]

C. Pay Rise For Andhra State Employees: The Andhra Pradesh Government announced in Hyderabad on June 13 revised pay scales for its staff to benefit 2,30,000 Government employees, including those in local bodies. The additional expenditure will be Rs 5.5 crores.

Announcing the decision, the Chief Secretary, Mr. M. T. Raju said that the revised scales would come into force with retrospective effect from March 19.

The revision was based on the proposals of an officers' committee which examined the recommendations of the one-man Pay Committee headed by Mr. Justice N. D. Krishna Rao. The pay committee was appointed in 1965 and its report was submitted towards the end of 1967.

The Cabinet did not accept the recommendation of the Pay Committee to introduce an efficiency bar. The scales announced were an improvement on those suggested by the Pay Committee. As an incentive for efficiency, selection of grade posts was sanctioned in each category up to 15 per cent of the total number of posts in that category.

House rent allowance was sanctioned to employees drawing a pay of up to Rs. 300 a month at Central Government rates in lieu of the existing compensatory allowance.

A portion of the dearness allowance would be treated as earnest pay for purposes of pension and gratuity at the Central Government rates. This would have retrospective effect from April 1.

Existing rates of daily allowance and fixed travelling allowance were enhanced by 33-1/3 per cent.

(**The Hindu,** Madras)

[Prev. ref. 8796:INI:Q]

D. Lt.-Gen. S.H.F.J. Manekshaw Takes Over As Army Chief: Lt-Gen. S.H.F.J. Manekshaw took over as *Chief of the Army Staff* in the rank of a General in New Delhi on June 8 on the retirement of Gen. P. P. Kumaramangalam at Bangalore.

In a special Order of the Day to officers and jawans, published on his taking over, Gen. Manekshaw said: "I have today assumed the appointment of Chief of the Army Staff. I know you will all make every endeavour to enhance the good name of the Indian Army and ensure that it is, and always will be, a first-class fighting force."

Fifty-five-year-old Gen. Manekshaw was the first Indian Commissioned Officer to become the Army Chief, unlike his predecessors, who were all Sandhurst-trained officers and known as King's Commissioned Indian Officers. Gen. Manekshaw received his training at the Indian Military Academy, Dehra Dun. He was one of the first 40 cadets who were admitted to the IMA when the Academy was opened in 1932. Two years later he was commissioned into the Army. He was also the first officer of the Gorkha Regiment to become Chief of the Army Staff. An infantry officer, he is a Colonel of the 8 Gorkha Regiment.

In 1963, Gen. Manekshaw became GOC-in-C, Western Command, and a year later he was transferred to Calcutta to head the Eastern Command. He was awarded **Padma Bhushan** in 1968.

Gen. P. P. Kumaramangalam's Message:

In a message on June 9, Gen P. P. Kumaramangalam asked the Army to shed conservatism and "always look ahead and have new ideas."

He said: "Armies sometimes tend to be conservative in their outlook. If they do so they get stultified in their methods and tactics. It will not hurt my pride in the least if some radical changes in the Army were made after I have left. I have left an army with the correct spirit if I find it brimful of new ideas.

"I would also like to give a parting message of appreciation to all those sitting in those parts of our frontiers where there is continual tension. It is remarkable how the troops in most difficult conditions, particularly those at high altitude, have carried out their tasks year in and year out with a great sense of courage and patience. The real tone of the Army can be measured by the number of courts-martial and various other delinquencies. Considering the size of the Army, we have remarkably few. This shows the high morale and patience of the troops from all parts of our country. I congratulate them on this."

(**The Hindustan Times** and
The Times of India,
New Delhi)

[Prev. ref. 8875:INI:B]

E. Envoys To UAR And Sudan: Mr. Inderjeet Bahadur Singh, Ambassador of India in Rome, has been appointed Ambassador to the United Arab Republic in succession to Mr. Apa B. Pant.

He is expected to take up his assignment shortly.

Mr. Kantilal Lallubhai Dalal, Consul-General of India in South Viet-Nam, has been named as Ambassador to Sudan in succession to Mr. P. L. Bhandari.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 5834:INI:K, 7564:INI:S]

F. HS-748 Planes Ordered By HAL: It was announced in London on June 9 that Hindustan Aeronautics Ltd. (HAL) had signed a contract for 18 Hawker Siddeley-748 aircraft, with an option on another 21.

HAL had already built or was building 41 HS-748 under licence for sale to customers who include the Indian Air Force and Indian Airlines. The planes now ordered will also be built by HAL's Kanpur division.

(The Times of India,
New Dehi)

[Prev. ref. 8876:INI:D, 8983:INI:L]

G. Micro-wave Communications Net-work: The Railway Minister, Mr. Ram Subhag Singh, said in Madras on June 12 that the Railways would soon set up a net-work of micro-wave communications covering about 17,000 km during the Fourth Five-Year Plan.

Opening a multi-channel micro-wave radio-telephone and teleprinter net-work, he said that the scheme would cost Rs. 18 crores and about 2,500 km had already been covered.

Micro-wave stations were also simultaneously inaugurated in Bangalore, Guntakal, Olavakkot, Tiruchirapalli and Madurai.

The Madras net-work will connect the headquarters of Southern Railway with its divisional headquarters and also with Hubli and Vijayawada of the South-Central Railway.

(The Hindu, Madras)

[Prev. ref. 6802:INI:K]

H. Village Volunteer Force Formed By CPI(M): The CPI(M) peasant organization, Paschim Banga Pradeshik Krishak Sabha, at its concluding session in Contai on June 8 decided to form a village volunteer force.

Declaring this at a public meeting, Mr. Abdulla Rasul, Secretary of the Sabha, said that the volunteer force would combat "class enemies and anti-peasant forces". He said already the nucleus of such a force had been formed in some districts and in others it was being formed.

Mr. Hare Krishna Konar, President of the Sabha, and other leaders pointed out that the "khetmajurs" and agricultural labourers were gaining in political consciousness. It was evident from the fact that 36 per cent of the delegates to the conference were "khetmajurs."

Mr. Promode Dasgupta appealed to all Left party peasant organizations to come forward to fight along with the CPI(M) for the rights of the peasants. He said that inter-party squabbles among the United Front constituents benefited only reactionary forces. Describing Naxalites as associates of the Congress, he said that these so-called agrarian revolutionaries were benefiting only the "enemies of the people".

(The Statesman, Calcutta)

[Prev. ref. 8993:INI:F]

I. Ladakh Representative Joins Jammu And Kashmir Cabinet: Sonam Wangyil of Ladakh, a nominee of Kushak Bakula, was inducted into the Jammu and Kashmir Council of Ministers in Srinagar on May 27.

Sonam Wangyil, who represents Ladakh in the State Legislature, was sworn-in by the State Governor, Mr. Bhagwan Sahai as a Minister of State. He will hold the portfolios of Planning and Co-operation.

Simultaneously, the Ladakh Development Board headed by the Chief Minister, Mr. G. M. Sadiq was re-constituted. Besides Mr. Sadiq, who will be its Chairman, Pir Ghiasuddin, Minister for Ladakh Affairs, and Munshi Habibullah, a member of the Legislative Council from Kargil, will be the two Vice-Chairmen. Other members of the Board include Kushak Bakula, Sonam Wangyil and Sonam Norbu.

(The Hindustan Times,
New Delhi)

[Prev. ref. 8794:INI:J]

J. Electricity Generation Survey By Experts' Committee: It was made known in New Delhi on June 8 that the Central Ministry of Irrigation and Power had set up an 11-man committee of experts to make a comprehensive survey of the generation of electricity in the country.

The committee, headed by Mr. K. L. Vij, retired Vice-Chairman, CWPC, will consist of ten members including an expert from the Tennessee Valley Authority, USA and an expert from the Edison Institute of USA, besides a representative of the Department of Atomic Energy.

The terms of reference of the committee are:

(1) To review the pattern of utilization of available plant capacity during the past five years and their operational efficiency and fuel consumption;

(2) To consider the scope of improving economy in power generation together with specified measures for attaining them;

(3) To review the economics of power generation from different hydro, thermal and nuclear sources under prevailing conditions and expected future trends to indicate the factors which must prevail in the choice of schemes for expansion of generation and supply in each region of the country in future;

(4) To review the conditions of power supply including reliability, voltage fluctuations and the extent of transmission losses to the minimum extent possible; and

(5) To review the causes of delay in the execution of the power projects, to suggest measures for improving the manner of implementation of power projects and reducing construction periods.

In power development, transmission and distribution schemes are largely capital intensive. In view of the limited resources available for this sector, the Ministry felt it necessary to take early steps to effect reduction in the cost of power generation and avoid delays in executing power projects.

(The Times of India,
New Delhi)

[Prev. ref. 5473:INI:J, 7498:INI:S]

K. Central Sales Tax Act Amended—Presidential Ordinance: The Acting President, Mr. V. V. Giri, on June 9 promulgated an Ordinance to amend the Central Sales Tax Act of 1956 with retrospective effect in order to overcome the difficulties felt by the State Governments on account of certain judicial pronouncements.

The measure, known as the Central Sales Tax (Amendment) Ordinance, 1969, made it clear that tax on inter-State sales of goods would be payable, notwithstanding the fact that no tax would have been levied under the sales tax law of the appropriate State had the sale taken place inside the State at that point.

The turn-over for the purpose of assessment of tax would be determined in accordance with the provisions of the said Act.

(The Hindustan Times,
New Delhi)

[Prev. ref. 7690:INI:H]

L. Malappuram District Formed In Kerala: The Kerala Government announced in Trivandrum on June 7 the formation of the Malappuram District with effect from June 16.

The new District, which has a predominantly Muslim majority, has an area of 1,313.14 square miles and a population of 13,94,000.

The areas that form the new District are: Manjeri, Wandur, Malappuram, Kondotti, Thiruvangadi, Tirur, Vengara Tanur and Kuttippuram of the present Kozhikode District and Ponnani, Andathoee, Mankada and Perintalmanna of Palghat District.

Congress Criticism:

The President of the Kerala Pradesh Congress Committee, Mr. T. O. Bava, said on June 7 that the State Government's notification announcing the formation of the new Malappuram district on the eve of the by-elections to the Assembly was "politically-motivated" to "unduly influence" voters in the Malappuram constituency.

Mr. K. Karunakaran, leader of the Congress Legislature Party, described as "improper" the action of the Kerala Government in coming out with the notification on the eve of the poll in Malappuram.

Mr. K. Kelappan, 79-year-old Sarvodaya leader of Kerala and chairman of the action committee against formation of Malappuram District said in Madras that the present agitation, started on June 2, against formation of the new District would be intensified and extended to other parts of the State. He added that the Chief Minister, Mr. E.M.S. Namboodiripad, was anxious to retain the support of the Muslim League for the purpose of maintaining the stability of the United Front in Kerala and had apparently no choice but to yield to the demand for a separate District.

(**The Times of India,** New Delhi and **The Hindu**, Madras)

[Prev. ref. 8598:INI:M]

M. **Murder Of Mr. D. Upadhyaya — Two Persons Acquitted:** The Special Sessions Judge of Varanasi, Mr. Murlidhar, on June 9 acquitted Bharat Lal and Ram Avadh of the charge of murdering the former Jana Sangh President, Mr. Deendayal Upadhyaya.

Bharat Lal was, however, found guilty of the charge of theft and sentenced to four years' rigorous imprisonment.

Ram Awadh was acquitted of the charge of theft as well.

[Mr. Deendayal Upadhyaya was found dead near the rail track a few hundred yards from the Moghalsarai railway station early on February 11, 1968. Following suggestions by party leaders that he might have been the victim of a political murder, the investigation was entrusted to the Central Bureau of Investigation. Bharat Lal and Ram Awadh were arrested on February 29. They were charge-sheeted in the court of the Additional District Magistrate on May 4. The ADM committed them to the Sessions.]

The Sessions Judge, delivering his judgment, said: "The prosecution has not been able to prove this case, mainly because of the paucity of evidence. There have also been deficiencies here and there during the investigation and these have been duly mentioned while discussing the evidence and the necessary inferences drawn therefrom."

He, however, rejected the defence argument that the CBI had deliberately overlooked the theory of political murder. He said he found no basis to suspect the **bona fides** of the investigating agency.

The two accused, Bharat Lal and Ram Awadh, were charged under Section 302 read with Section 34 of IPC for causing the death of Mr. Upadhyaya, the then All-India Jana Sangh President in pursuance of their common intention by pushing Mr. Upadhyaya out of the running Pathankot-Sealdah Express train in an act which they knew to be so imminently dangerous as to cause his death or such bodily injury as is likely to cause death and without any excuse for incurring such risk.

They were also charged under Section 382 and Section 379 IPC for committing theft of Mr. Upadhyaya's belongings.

They were committed to the Sessions on August 6, 1968 where 128 witnesses had appeared on behalf of the prosecution. Five others, including Mr. Nanaji Deshmukh, Treasurer of All-India Jana Sangh had appeared as court witnesses.

The case was decided in the Sessions Court in a record time of eight months. Mr. Murlidhar was specially appointed by the State Government to hear the case.

(**The Hindustan Times**, New Delhi and **National Herald**, Lucknow)

[Prev. ref. 8201:INI:U]

N. **Drought In Nine States:** According to official figures released in New Delhi on June 14, more than 15 million people had been affected by drought in nine States this year.

The worst hit was Rajasthan, where scarcity condition had been declared in 22,800 villages affecting a population of 12.8 million.

Next came Gujarat, where 800,000 people were affected.

Severe drought conditions prevailed over large areas in seven districts of Tamil Nadu. The number of people engaged in relief works was about 7,00,000.

Other States that had reported drought conditions were: Uttar Pradesh, Andhra Pradesh, Mysore, Haryana, Madhya Pradesh and Pondicherry.

Central teams of officials had visited most of the drought-affected States and had recommended financial assistance.

For Rajasthan, the first Central team had recommended a ceiling of Rs. 8.96 crores for relief operations up to the end of March. A second team which visited the State in April had recommended a ceiling of Rs. 9.02 crores for 1969-70. A sum of Rs. 17.51 crores had already been released. In addition, it had been decided to allot Rs. 1 crore for drilling and energizing of tube-wells.

The Central Government had so far sanctioned Rs. 16.55 crores as grants and loans for 1968-69 and 1969-70 to Andhra Pradesh.

Tamil Nadu had so far been given financial assistance of Rs. 3.25 crores, besides 100 tonnes of wheat as gratuitous relief.

Pondicherry, which was in the same region as the district of Tamil Nadu affected by drought, had been authorized to take up urgently relief works like desilting of tanks and provision of drinking water up to a total cost of Rs. 100,00,000 in the current year. Additional funds would be provided in the light of developing situation and progress of expenditure.

(**The Statesman,** New Delhi)

[Prev. ref. 6844:INI:R, 7884:INI:V]

O. **Jana Sangh Office-bearers:** According to an announcement in New Delhi on June 9, Mr. Sunder Singh Bhandari, General Secretary of the Jana Sangh, will continue to hold that office in 1969-70 also.

The other office-bearers for 1969-70, as announced by the Party President, Mr. Atal Behari Vajpayee, are: Vice-Presidents—Mr. Jupudi Yagna Narayan and Mr. Pitambar Dass; Organizing Secretary—Mr. Yagya Dutt Sharma; Secretaries—Mr. Jagannath Rao Joshi, MP, Mr. P. Parmeshwaran, Mr. K. S. Thakre and Mr. Jagdish Prasad Mathur; and Treasurer—Mr. Nana Deshmukh.

The following are members of the Executive:

Mr. Prem Nath Dogra, Mr. Mukhtiar Singh, Mr. Baldev Prakash, Mr. Bhairon Singh Shekhawat, Dr. Mahavir, Mr. Lal Krishan Advani, Mr. Kedar Nath Sahni, Mr. Man Singh Varma, Mr. Hari Singh A. Gohil, Mr. U. L. Patil, Mr. Moti Ram Lahane, Mr. Bachraj Vyas, Mr. S. B. Swethadri, Mr. K. Krishnamoorthy, Mr. O. Rajagopalan, Mr. Lal Raghunandan Saideo, Acharya Dev Prasad Ghosh, Mr. Prasanna Lal Chaudhury, Mr. Thakur Prasad, Mrs. Sumatibai Suklikar and Mr. Hema Ben Acharya.

(**The Times of India,** New Delhi)

[Prev. ref. 8957:INI:M]

P. **Rocket Motor Of Fibre Glass Tested:** A rocket motor wound in fibre glass filament was successfully flight-tested, for the first time in India, as a part of the Rohini programme of the Space Science and Technology Centre at Thumba (Kerala) on June 6.

Though the first rocket was only 125 mm in diameter, the test had established the feasibility of using fibre glass technology indigenously developed for the bigger motors which were required for the Indian satellite launcher programme.

Fibre glass motor cases are used in most advanced rockets and have the great advantage of providing high strength with light weight. The body was fabricated by the development group at the Thumba Equatorial Rocket Launching Station. A new high-performance propellant developed at the Space Science and Technology Centre was used.

(**The Hindu,** Madras)

[Prev. ref. 8199:INI:L, 8538:INI:L]

Q. **Infiltration Of Aryans In Rajasthan – Archaeological Findings:** According to a statement by the Director of Archaeology in Rajasthan, Dr. Satya Prakash in Jaipur on June 15, excavations conducted by the Rajasthan Department of Archaeology at Noh in Bharatpur district during 1968-69 had confirmed that the people of Indo-Gangetic plain were the earliest settlers there.

He said that this presupposed the infiltration of Aryans in Rajasthan through the east. These people had occupied the site for a few hundred years and introduced a particular type of fine ware for their domestic use which was known as painted grey ware. This type of ware had been found at various places in Bharatpur district.

Excavations during this period had also fielded beautiful terracotta figures belonging to Sunga-Kushan period from 2nd century BC to 2nd century AD. Very fine specimens of the earthen black polished pottery discovered from the site were the outstanding achievements of the excavations.

He said that besides the pottery, impressed with designs of "Tri Ratna" symbols and with incised designs belonging to the period ranging from 2nd century BC to 2nd century AD were noteworthy.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 2032:INI:G]

R. **"Gangotri III" Peak Climbed:** A seven-member university students' expedition from Baroda on June 13 climbed the 21,700-foot **Gangotri III** peak.

The team was led by Jamshed Elavia, a 21-year-old engineering student.

(**The Times of India,** Bombay)

[Prev. ref. 8386:INI:G, 8482:INI:M]

ISRAEL

A. **West Asia Fighting—Further Developments:** According to Israeli Army sources, Arab commandos, getting covering fire from Jordanian legionnaires, launched their biggest co-ordinated attack in two years against an Israeli military outpost near the Jordan River on May 17.

Twelve of the raiders and one Israeli medico were killed. El Fatah, the Arab guerrilla organization that carried out the attack, said in Amman that their only losses were two commandos wounded.

Also on May 17, according to the Cairo newspaper, **Al Ahram,** Israeli and Egyptian artillery fought a brief duel over the Suez Canal near the town of Ras Eleish.

According to Amman military sources, Jordanian guns blazed on May 19 when two Israeli fighter planes swept in to attack troops in the King Hussein (former Allenby) bridge area.

Earlier, Israeli planes attacked the area of Karameh and Kraymeh in the Jordan Valley with rockets and machine-gun fire. Jordan said one civilian was killed and five wounded.

Gen. Odd Bull, Chief of the UN Observer Corps in West Asia, reported on May 20 that the Israelis were on the offensive in the artillery duels in the Suez Canal sector after a long series of Egyptian-initiated exchanges.

An Israeli Army spokesman said that Israeli forces shot down three UAR MIG-21 planes which tried to fly across the Suez Canal on May 21. Another UAR plane was damaged.

An announcement said that UAR launched two separate strikes across the Canal at the same time. In one of these incidents a few MIG-21s flying from the direction of Port Said tried to cross the Canal in the area north of El Qantara. The Israelis said one of these planes was hit by a **Hawk** anti-aircraft missile and seen to explode. Another UAR plane was damaged.

A UAR military spokesman said that UAR fighters drove back three groups of Israeli planes which tried to cross the Suez Canal on May 21. damaging one of them in a dogfight.

An Israeli motorized column thrust across the Jordan border on May 21 and attacked an Arab guerrilla base.

A military spokesman in Amman said that Jordanian forces fought for more than four hours with Israeli forces that had crossed the cease-fire line south of the Dead Sea on May 21.

An Amman military spokesman said that Israeli forces in company strength invaded a desert area in central Jordan on May 21 and withdrew after a 4½-hour engagement.

The Israeli Army announced that three Egyptian jet fighters were shot down over the Sinai near the Suez Canal on May 21. Two were hit by Israeli warplanes and one by a ground-to-air missile. A fourth Egyptian plane was damaged.

A Jordanian Army spokesman said that on May 25, Jordanian forces destroyed one Israeli Land Rover vehicle during a 20-minute clash with Israeli forces in the northern Jordan Valley. The fire was returned by Jordanian forces, but there were no casualties.

On May 26, Israeli and Jordanian troops clashed on the Jordan River cease-fire line at the southern and northern ends of the Jordan Valley.

A Syrian military spokesman said that on May 27, Israeli and Syrian forces exchanged automatic fire in three incidents across the cease-fire line.

Rockets fired from Jordan into the heart of the ancient Arab city of Jericho during the night of May 28 wounded an Arab civilian and left three shops blazing. As shopkeepers and neighbours struggled to extinguish the flames, the Mayor of Jericho appealed to citizens not to leave the city in the West Bank area of Jordan occupied by Israel during the June, 1967 war.

While fighting across the Suez Canal had considerably diminished over the past week, almost daily clashes had been reported along the Jordan-Israel front.

Four Israeli civilians and a soldier where wounded on May 28 when they came under Arab gunfire from Jordan near the Sea of Galilee.

An Israeli Army spokesman said that on May 29, Israeli fighters brought down a Syrian MIG-21 in a dog-fight 20,000 feet above Israeli-occupied Arab territory. The Soviet-built MIG was one of two Syrian jets which penetrated Israeli-controlled air-space over Kuneitra. The pilot of the jet shot down was seen parachuting from the stricken aircraft. The other aircraft escaped.

Arab families began fleeing with their belongings from Jericho on May 29 after two rocket attacks launched from Jordan territory within 24 hours. Russian-made rockets fired from across the River Jordan hit *Jericho in the early hours of May 28 and again on May 29. Several shops and houses were destroyed, but the only casualties were two people injured.*

On June 6, Jordanian and Israeli forces fired on each other for about an hour in the southern Jordan valley.

A report from Beirut on June 7 said that Lebanese and Israeli forces exchanged mortar fire early on June 6.

A Jordanian official spokesman announced that Israeli troops fired on a two-mile stretch near the Lebanese border village of Halta.

On June 7 and 8, Egyptian and Israeli forces exchanged artillery shots over the Suez Canal in the Deversoir and Ismailia areas.

Two Israeli tanks were destroyed and 17 soldiers killed or wounded in a 40-minute clash between Jordanian and Israeli forces in the southern Jordan valley on June 8.

A UAR spokesman said that on June 12, Egyptian forces destroyed Israeli positions on the east bank of the Suez Canal and equipment designed to strengthen the positions in a duel over the Canal which went on most of the night.

Israeli forces were said to have lost seven dead and 14 wounded in two days ih the Suez Canal area and along the other cease-fire lines.

These figures brought Israeli casualties since June 1 up to 14 dead and 30 wounded.

It was reported from Amman that three Israelis were killed and one half-truck was destroyed during a 60-minute clash with Jordanian forces on June 13.

According to Israeli sources, four Israeli soldiers were wounded by Egyptian mortar fire on the Suez Canal on June 13. The firing flared at the southern end of the Canal. Israeli troops returned the fire.

A UAR spokesman said that on June 15, heavy artillery went into action across the Suez Canal for the second time in less than six hours.

Israeli forces opened fire on June 15 with automatic weapons on positions in the Ghabet All Najjar area, in the south of the Jordan Valley.

Shells fired from Jordanian territory killed an American woman and wounded four other tourists near the Dead Sea on June 17. Two taxis were hit and burnt out. The taxis were parked outside a cafe when the shells burst. The tourists were sitting in the cafe. The taxis were part of a group which had been carrying a party of about 24 tourists.

A military spokesman named the dead woman as Shulie Anderson (25) of New York. One of the wounded Americans was later identified as Helen Burnett (27).

The Israeli Army announced that on June 18, wave after wave of Israeli jet fighters blasted Jordanian Army gun positions across the Jordan *River in the south Jordan valley. The Army declined to connect* the two incidents but an American woman tourist was killed and another wounded at a beach resort on the Israeli-Jordan border on June 17.

It was the biggest Israeli air activity on the tense border with Jordan for some weeks.

The air attack came after Arab guerrillas had opened fire on an Israeli patrol moving along the Jordan cease-fire line. The Arab commandos were reported to have taken refuge in a grove of trees near the River frontier and the Israeli jets were called in to smoke them out.

According to Cairo reports, a violent duel with heavy weapons broke out between Israeli and UAR forces along a wide front across the Suez Canal on June 17. The exchange of fire involved the whole area between el Shatt and El Qantara on the 75-mile-long front.

In Tel Aviv, an Israeli Army spokesman announced that UAR gunners had killed an Israeli soldier and wounded three others slightly when they opened artillery fire in the Mitle region across the Suez Canal. The UAR forces opened up in the Mitle and El Qantara regions with mortars, cannon and automatic weapons but failed to inflict casualties on the Israeli side.

Cairo reports said that violent artillery duels were resumed on June 20 all along the Suez Canal and were followed by another exchange.

Three bundles of dynamite exploded on June 20 near Jerusalem's Wailing Wall where an estimated 3,000 worshippers were praying to mark the Friday night commencement of the Jewish Sabbath. Police reported that one Arab was killed and an Israeli soldier wounded.

On June 21, according to a Cairo military spokesman, Egyptian gunners shot down three Israeli reconnaissance planes in one of the fiercest clashes along the Suez Canal. The light aircraft were downed near Deversoir, a small port at the northern neck of the Great Bitter Lake.

The heavy artillery, rocket and tank fire action was fought across the Canal along a scattered 50-mile front from Suez to Ismailia.

Jordanian and Israeli forces exchanged artillery and tank fire for 25 minutes in two separate incidents on June 21 and 22.

A Jordanian military spokesman accused the Israelis of starting both incidents south of Lake Tiberias.

An Amman report said that two Israeli aircraft raided Jordanian military positions in the Ghor Al Safi area south of the Dead Sea on June 22.

PLF Blow Up Oil Pipe-line:

The Popular Front for the Liberation of Palestine said on June 1 that it had blown up an American-owned oil pipe-line passing through occupied Syrian territory to remind the United States that it had to pay a big price for its support of Israel.

The pipe-line, carrying Saudi Arabian oil through the Golan Heights to the Lebanon, is owned by the Trans-Arabian Pipeline Company, a subsidiary of ARAMCO.

An explosion on May 30 blew up the pipe-line at a point 20 km north of the town of Moneitra, on the Israeli-occupied Golan Heights.

A statement issued by the Front in Amman on June 1 said that the TAPLINE belonged to "a group of exploiting and monopolistic American companies" and that the oil carried in its pipe-line was owned by those same companies.

It alleged that the US Government was "part of the anti-Arab front which opposed the Palestinian people's struggle to regain their usurped homeland and continued to back Israel politically and economically as it had backed it in the June, 1967 war."

Blazing patches of crude oil floated down the Jordan River towards

Lake Tiberias in Israel after Arab saboteurs had blown up the pipe-line.

The pipe-line, which carries oil from the Iranian port of Dran in the Arabian Gulf to the Lebanese port of Sidon, runs partly through territory occupied by Israeli forces in the June, 1967 Arab-Israeli war.

Eye-witnesses said that Israeli bulldozer drivers fought to stem the sluggish flow of crude oil from the damaged pipeline. Patches of oil in fields near the scene of the blast were still burning some 12 hours after the explosion.

Some 480,000 barrels of oil were estimated to be pumped through the 3,000-mile pipe-line daily.

On this incident, the first public criticism of a Palestinian commando operation in any Arab country appeared on June 1 with a trenchant comment in **Al Ahram** on the blowing up of the trans-Arabian pipe-line in the Golan Heights by the Popular Front for Liberation of Palestine.

The authoritative Cairo newspaper called the sabotage act "incomprehensible". It was contrary to the Khartoum decision allowing the free flow of Arab oil to world markets, and "outside the frame-work of Arab principles and interests."

The paper said that no commando organization had the right to act in this manner unless it had special reasons to profit. It pointed out that the dynamiting of the pipe-line constituted great harm to Arab interests and none at all to Israeli interests. If the purpose was to deal a blow to American interests, the target was not well chosen.

[The PLF is a comparatively small commando organization, but it has distinguished itself with dramatic and daring operations like the hijacking of an Israeli airliner and causing explosions in Jerusalem. It has always operated as a "lone wolf" outside the discipline of Arab Governments. It is the only group which has mounted commando operations across Syrian cease-fire lines. It has three factions within itself—a pro-Peking Marxist group, a group affiliated to the Arab national movement (which is banned in Syria) and a third without any ideological affiliations. The pro-Peking group made a clean break with the PLF in February, 1969 and now calls itself the Popular Democratic Front for the Liberation of Palestine. The hijacking of an Israeli plane to Algeria caused great embarrassment to Mr. Boumedienne's Government. Its actions across the Syrian cease-fire line cause annoyance to the Baathist Government which, while training commandos in general and supporting its own group, Al Saika, has always taken care to see that they operate from Lebanon or Jordan and not from Syria.]

Warning To King Hussein:

Israel gave a second warning to King Hussein of Jordan on June 1 that Israeli forces would hit back if the Jordanian Army provoked more incidents along the cease-fire line.

Israel had recently claimed that the Jordanian Army was co-operating with Arab guerrillas in firing on Israeli positions.

The new warning had been conveyed to King Hussein by American intermediaries.

Israeli military officials said that the Jordan Army provided covering fire for guerrillas in the Jordan valley and south of the Dead Sea.

Soviet-UAR Communique:

The Soviet Foreign Minister, Mr. Andrei Gromyko, visited UAR for four days from June 9 to 13 and a joint **communique** issued on June 13 said that the Soviet Union and UAR had agreed that Israel must withdraw from all occupied territories in any settlement of the West Asia crisis.

It also stressed that a settlement required the implementation of the UN Security Council resolution of November 22, 1967 in all its provisions. These included settlement of the Palestine refugee question, an end to the state of belligerency in the area and freedom of navigation in waterways in the area—including the Suez Canal.

It expressed the Soviet Union's appreciation of the fact that UAR had declared its acceptance of the resolution and willingness to implement it.

Mr. A. Eban On Soviet-UAR Communique:

On the Soviet-UAR joint **communique,** the Israeli Foreign Minister, Mr. Abba Eban, said on June 14 that Israel would "in any case never agree to return to the "position of peril and vulnerability" that a withdrawal to her pre-war positions would entail.

He commented: "Two years after the six-day June, 1967 war, we find the architects of that war conspiring together for the obstruction of peace."

He described the **communique** as "a deplorable document with hostility in every line." It was "a **verbatim** repetition of ideas and formulas used by UAR and USSR since 1967".

He added: "On June 13, 1967, Soviet proposals absurdly accusing Israel of aggression and calling for a return to the perilous and explorive armistice lines were presented to the UN General Assembly and emphatically rejected. On June 31, 1969, we find these negative policies presented again."

Mrs. Golda Meir On Peace Settlement:

Israel's Prime Minister, Mrs. Golda Meir, said in an interview with the **Time** magazine on May 19 that Israel would reject any "Big Power" settlement of West Asia issue if she did not like it even in face of pressure from the UN Security Council and the General Assembly.

She said: "I have no illusions. The Security Council will say, of course, this is wonderful: the Big Powers agree. It doesn't happen twice a week that USA and USSR are in agreement. And we will say no.

"Then it will go to the General Assembly, and maybe, a Special Assembly, and we will say 'no.' It won't be easy."

Referring to Israel's withdrawal from Egyptian territory after the 1956 Sinai campaign, she said: "I did it on behalf of the Government, but it was not my greatest hour."

She also indicated that her Government would not allow Arab forces to return within 12 miles of Israel's coastal plain, or to Syria's Golan Heights overlooking Upper Galilee. Nor would it rely on others to safeguard Israeli shipping through the Strait of Tiran.

When asked how she visualized a West Asia settlement, she replied: "Agreed, secure boundaries. Both adjectives have equal importance. We say, come and negotiate with us for secure and agreed borders. Now, I say 'secure' because we have lived with those borders for 20 years. Anybody that tells us that we should step down so that the Syrians again can put their guns in position and to say to our people down below, don't budge, stay there—I want to see that hero. It is not moral. It is not decent."

Insisting on a signed Peace Treaty with the Arabs, she said: "What we ask our friends is, to my mind, a very simple thing: tell Nasser and Hussein to sit down with the Israelis, negotiate peace with them. For 20 years, we have tried everything. Now it is your responsibility, not the Soviet Union, not the United States, not France, not England. Mr. Nasser, it is your responsibility, you are responsible for the war. You must take the responsibility for peace."

Mrs. G. Meir Calls For Talks With Arab Leaders:

In a television interview on June 8, Mrs. Golda Meir called the United States as the "best friend we have in the world" and urged her to influence the Arab Governments to change their rigid opposition to direct negotiations with Israel.

She said that such negotiations were the only hope for peace in West Asia, though she repeated her long-standing view that another war was not imminent.

She said that Arab Heads of States should realize that the "only solution for the problem is to get together with the Israelis and come to a peace agreement."

Later, she added: "And now all we ask of the United States as our big friend, the best friend we have in the world... is—you use your influence not to make it easy for President Nasser or for King Hussein of Jordan or for any of the other leaders again to escape their *responsibilities, and sit down with us and negotiate a peace agreement.*"

Asked if another war loomed for the area, she replied: "I don't think we are drifting towards war. Our borders are more secure, it is more difficult for our neighbours to attack us, and therefore I think that *they won't easily do this folly again.*"

Mr. Abba Eban On Indian Attitude:

The Israeli Foreign Minister, Mr. Abba Eban, said in the Knesset (Parliament) on May 22 that peace prospects in West Asia would have been better if India had adopted a more balanced stand towards the States of West Asia during the last two decades.

He said, however, that India's statements on Israel after the last UN General Assembly session were more moderate than before. But there had been no change in relations between the two countries.

(Cairo Radio, Jerusalem Post, Tel Aviv Radio, The Times, London, **The New York Times** and **The Hindu,** Madras)

[Prev. ref. 7849:ISR:A, 7854:ISR:A, 8987:ISR:A]

B. **Proposed Lease Of Suez Canal To Russia:** It was stated in New Delhi on May 25 that the proposal of the UAR Government to lease out the Suez Canal to the Soviet Union in order to revive the operation of the Canal had not made much headway.

Judging by the latest indications, the plan was unlikely to materialize in the near future. Competent observers feel that the resumption of operation of the Suez Canal will not be possible till a settlement of the Arab-Israeli conflict.

The Soviet Union, it is pointed out, is as interested as UAR in the resumption of traffic through the Suez Canal because all its exports to Asian countries otherwise have to be diverted through the circuitous route round the Cape of Good Hope.

To cover the cost of this additional "steaming," the Soviet Union has levied freight surcharges, which in the case of India is 30 per cent.

Other major suppliers of machinery and materials have likewise imposed freight surcharges. India has been paying a surcharge of 15 per cent on supplies from USA, Britain and other West European countries since 1967.

India is presently incurring an additional Rs. 2.25 crores every month on shipping freight for supplies from West European countries following the closure of the Suez. Canal. The efforts of the authorities to reduce this burden have not borne fruit so far.

(The Hindustan Times, New Delhi)

[Prev. ref. 8687:ISR:A, 8990:ISR:B]

C. **"Land Bridge" Alternative** ***To Suez Canal:*** It was announced in Tel Aviv on May 18 that Israel was considering the establishment of a "land bridge," by-passing the Suez Canal, to transport goods from the Mediterranean to the Red Sea.

Goods would be unloaded at Israel's Mediterranean port of Ashdod and taken overland to the Red Sea port of Eilat for shipment to East Africa and the Far East.

The Transport Minister, Mr. Moshe Carmel, said that an estimated 200,000 tons per year would be transported in the first two years of operation.

The estimate was based on the report of an Israeli delegation which recently visited European countries to examine the possibilities of obtaining cargoes for overland shipment.

The scheme would give a substantial boost to the two ports and help Israel's economy by providing transit fees.

(The Times, London and **The Hindu,** Madras)

[Prev. ref. 8842:ISR:C]

D. **New 160-mm Mortar Developed:** The Israeli Army weekly Bamahan claimed on May 20 that the country's defence forces had developed a 160-mm mortar mounted on the Sherman tank.

It was further claimed that the mobile, hydraulically-operated weapon, which weighs one ton and has a firing range of some 10,000 yards (about 9,200 metres), is the biggest mobile mortar in the world. It is managed by a seven-man crew. The entire battle station is protected by armour plating.

(The Times, London)

TURKEY

A. **Mr. A. Hoveida's Visit:** The Iranian Prime Minister, Mr. Abbas Hoveida, who was on a visit to Turkey, said at a news conference in Istanbul on June 14 that the expected vacuum in the Persian Gulf area after the withdrawal of British forces in 1971 should be filled by nations of the region. "We do not want any imperialist country to replace the British."

On the Shatt al-Arab border conflict between Iran and Iraq, he said his country (Iran) was prepared "to sign a new agreement with Iraq, any place, any time, on the basis of international law and justice."

He denied foreign Press reports that Iran extended assistance now and again to the nationalist Kurdish leader, Mullah Mustafa Barzani of Iraq.

(The Times, London)

[Prev. ref. 8251:IRN:A]

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AFGHANISTAN

A. IDA Assistance For Road Net-work: The International Development Association (IDA), an affiliate of the World Bank, announced on June 11 a credit of $5 million to finance establishment of an organization trained and equipped to assume responsibility for effectively maintaining the entire highway net-work in the country.

A technical assistance grant of $17 million from the United Nations Development Programme (UNDP) is expected to complement the credit.

"Highways are the principal means of transportation in Afghanistan, both for domestic and international traffic. In the past 10 years the highway net-work has been expanded from about 4,000 miles to 11,000 miles. This includes a primary system of about 1,300 miles of paved roads which was designed and built mainly with financing from USSR and USA. It connects important population, agricultural and industrial centres to the capital, Kabul, and has branches leading to neighbouring countries.

The principal problem in the transport sector has been the imbalance between investments for new highways and expenditures for maintenance work. For the foreseeable future the highway net-work will need only minor additions to serve the country adequately but there is an urgent and critical need for establishing sound highway maintenance operations to prevent a serious deterioration of some existing primary roads.

Consultants financed under a World Bank grant of $155,000 in 1966 made a study of Afghanistan's road maintenance requirements and recommended measures to improve maintenance operation. The project now being financed follows directly from this study. It will institute a four-year road maintenance programme for selected roads in the eastern region of the country, which has the highest road and traffic density. This programme will serve to demonstrate modern methods for eventual application throughout the country.

The IDA credit will be used to finance imports of road maintenance and workshop equipment, tools, spare parts and materials, such as steel and bitumen. The UNDP grant, for which the World Bank will be executing agency, will finance a team of consultants which will provide guidance and advice to the Ministry of Public Works on the re-organization of the Road Maintenance Directorate and the introduction of modern highway maintenance practices.

The project is estimated to cost about $10.8 million. The $5 million IDA credit and the $1.7 million UNDP grant will cover $6.7 million of this amount and the remaining $4.1 million will be provided by the Government of Afghanistan.

The IDA credit will be extended to Afghanistan for a term of 50 years, including a 10-year grace period. It will be interest-free, but a service charge of 3/4 of one per cent will be made to cover IDA's administrative expenditure.

UNDP Aid For Housing:

The Government, with the assistance of the United Nations Development Programme (UNDP) and with United Nations as executing agency, has, meanwhile, established the Central Authority for Housing and Town Planning as part of the Prime Minister's Office.

It will formulate and supervise the implementation of regional and urban master plans, undertake research into building materials and methods, and co-ordinate housing programmes.

It is estimated that of Afghanistan's population of 13 million, roughly one million live in four cities—Kabul, Kandahar, Herat and Mazar-i-Sharif. The country's urban population lives in about 85,000 buildings, of which 5 per cent are of recent construction, conforming more or less to modern standards. Because of haphazard urban development, population densities in the older sections of the cities are as much as four times greater than those in new neighbourhoods, thus posing serious health hazards and hampering social development.

The Government estimates the need for new urban housing at 5,000 dwelling units per annum and an additional 6,500 units each year to replace existing dwellings that have become inadequate.

(World Bank Press Release and UN Newsletter)

[Prev. ref. 8359:AFG:A]

B. Mr. W. Rogers' Visit: The US Secretary of State, Mr. William Rogers, paid a brief visit to Afghanistan on May 25. He called on King Zahir Shah and later held talks with the Prime Minister, Mr. Noor Ahmed Etemadi.

Kabul Radio said his talks with Mr. Etemadi related to American aid to Afghanistan, regional affairs and a general review of the international situation.

The talks included economic and cultural co-operation between the two countries.

At a luncheon given to Mr. Rogers by Mr. Etemadi, both the leaders spoke about the desire of the people of USA and Afghanistan to strengthen the bonds of friendship between the two countries.

Mr. Etemadi said that Afghanistan followed a policy of neutrality based on the established traditions of his country. He also touched on the situation in Viet-Nam, West Asia and his country's relations with Pakistan.

Mr. Rogers said that his tour which took him to various countries in Asia had provided him with an opportunity to have greater contacts with the leaders of these countries.

He hoped that relations between his country and Afghanistan would further grow to mutual benefit for the people of the two countries.

(The Hindustan Times, New Delhi and **Kabul Times)**

[Prev. ref. 7239:AFG:A]

BURMA

A. Gen. Ne Win On Advisory Body's Report On Draft Constitution: The Chairman of the Revolutionary Council, Gen. Ne Win, told the Advisory Board formed to advise on the drafting of a Constitution and on social, economic, political and national minority affairs on June 2 that the time was not yet ripe for the formation of a National Government.

The Council, comprising 33 politicians, including the former Premier, U Nu, had on June 1 submitted a 64-page report to Gen. Ne Win (see page 9015)

Gen. Ne Win told the Board that correct aims and regulations for the proposed national Government were needed. Otherwise Burma would be faced with unworkable problems. "If the National Government is worthwhile, we would not hesitate to form it, but as I have said, correct aims and regulations are needed."

He emphasized that the Revolutionary Council had no intention of holding on to power indefinitely.

He thanked the Board for submitting its report on time and told members he would take no action against those who spoke openly against his Government. The Board's term of office expired on June 1.

[The report urged the present Government to transform itself into a National Government, headed by Gen. Ne Win. It said the Government should include as its members Army officers, politicians and other racial groups and *should establish democratic socialism.* It asked the present Government to create a new Ministry of National Culture and Minorities and form a "national united front" with Army officers, people of various races and politicians before elections. It also urged the present Government to initiate peace talks with rebels in Burma, release all political detainees, and lift the present restrictions on the released politicians. It said the Constitution should be discussed only after the formation of the national United Front. The Constitution for a Burmese "Republic" should either be adopted by a Constituent Assembly or in a referendum. It advised the Government to de-nationalize unnecessary sectors in the country, adopt a mixed economy, subsidize exports and receive aid from the United Nations members for heavy and key industries. On foreign affairs, it said Burma should have friendly relations with all her neighbours, especially China and Thailand.]

(The Statesman, Calcutta)

[Prev. ref. 8787:BUR:A, 9015:BUR:A]

B. U Thi Han Resigns As Foreign Minister: Government newspapers on June 19 reported the resignation of U Thi Han as Minister for Foreign Affairs and National Planning. He was the only civilian member in Gen. Ne Win's Cabinet.

U Thi Han (57), however, continued to be the Director of Procurement, Ministry of Defence.

Following his resignation, the Revolutionary Council appointed Brig. San Yu as Minister of National Planning and Col. Maung Lwin as Foreign Affairs Minister.

Brig. San Yu, who is also General Secretary of the Burmese Way to Socialist Programme Party (BWSPP) already holds the portfolio of Finance, while Col. Maung Lwin is Minister for Relief, Social Welfare and National Solidarity.

(The Statesman, Calcutta)

[Prev. ref. 6279:BUR:B]

CAMBODIA

A. **Diplomatic Relations With USA Resumed:** The Head of State, Prince Norodom Sihanouk, announced in Pnom Penh on June 11 that his Government had decided to resume diplomatic relations with USA.

He also announced that Cambodia—which had recognized East Germany several weeks ago—had also decided to break off relations with West Germany (see page 9016).

In announcing the break with West Germany, news agency reports quoted the Prince as saying that he was acting in the face of a "series of West German penalties and censurings," and treatment which "not even the Americans" had dished out.

Observers said he was referring to the Bonn Government's debate over how to penalize Cambodia for its recognition of the East German **regime.** (Under the 1955 Hallstein doctrine, such an act is considered "unfriendly" because it tends to enforce the division of Germany.)

On June 2 and 3, the West German Cabinet formulated a new "modification" of the doctrine permitting the Government to act "according to circumstances" and to "all-German interests." The next day, it closed down the Embassy in Pnom Penh and left it in charge of a low-ranking caretaker. As a concession to progressives in the Social Democratic Party, Bonn did not break relations, however.

(The Times, London)

[Prev. ref. 9016:CAM:A]

B. Territorial Violation Charge Against Thailand: The Government in a statement issued on May 21 accused Thailand of having committed an unspeakable violation of Cambodian territory and of attempting to create a "rebel government inside Cambodia."

The statement called on international public opinion to condemn Thailand's "revolting attitude."

The statement, which referred to the recent arrest of two members of the Thai armed forces, said their presence there amounted to a "very serious infringement on Cambodia's sovereignty." It was part of Thailand's designs to "set up a zone destined to the creation of a rebel government."

The Government also formally informed the UN Security Council that Cambodian forces had captured four Thai military infiltrators and 72 civilians who had been planning to set up a "free Khmer government" on Cambodian territory.

A Bangkok report quoting Thai police sources said on June 8 that Cambodian troops had fired across the Thai border in Prachinburi province, damaging a customs checkpost and several houses.

(The Statesman, Calcutta)

[Prev. ref. 8570:THI:A]

CHINA

A. **More Incidents On Sino-Soviet Border: Peking Radio** said on June 6 that Russian troops were using artillery and machine-guns to fire into Chinese territory along both the eastern and western ends of the Sino-Soviet border.

The broadcast claimed that Russian intrusions into Chinese territory and air-space had occurred continually since March.

The accusations reported in the broadcast were made in a protest Note which China had delivered to the Soviet Union. The Chinese alleged that one of their border guards was shot dead on May 15.

Peking Radio said that on May 2, hundreds of Soviet troops, supported by armoured units, had penetrated into Sinkiang. Chinese civilians had been attacked by Russian soldiers, who had also threatened Chinese frontier guards. Only Chinese restraint had averted bloodshed, and the firing was still going on.

The Chinese accused the Russians of the firing of machine-guns on a river island and the wounding of two Chinese fishermen, of abductions and an attack by mounted forces in the same area.

At Chen Pao island (which the Russians call Damansky), at the extreme eastern end of the Sino-Soviet border, where two serious clashes in March resulted in several dead and wounded on both sides, 8,000 shells had fallen since March 15, and the artillery and machine-gun attacks were continuing.

A week earlier, the **Radio** added, Soviet gunboats, supported by helicopters had crossed the Heilingkiang River and abducted 10 Chinese who had still not been returned.

The Chinese Note accused Russian fighter and bomber aircraft of intruding into China's air-space 57 times from March 29 to May 31. It claimed that a total of 16 Chinese nationals had been kidnapped by the Russians.

Chinese Protest Note:

According to another protest Note delivered to the Soviet Embassy in Peking on June 11, China alleged that a large number of Soviet troops had crossed the frontier on June 10 and killed a Chinese woman who was herding sheep in Sinkiang.

The Chinese claim that a second shepherd was kidnapped brought to 19 the total number of Chinese whom Peking claims to have been abducted by Russian forces in recent clashes.

The Chinese Note reported that armoured units were brought up in support by the Russians, but it was not clear whether Soviet tanks had actually crossed the international boundary. The Note stated that the incident was "still developing"—a possible indication that fighting was continuing.

According to Peking's account, Chinese frontier guards had made contact with the Russians 10 minutes after they had intruded into Chinese territory. Peking accused the Soviet troops of refusing to discuss the situation with the Chinese guards. The protest Note claimed that the Russians opened fire first, at which the Chinese had to take "defensive measures."

Soviet Version:

The same day (June 11), the Soviet Union protested to China over the incidents involving troops of each country and warned that it held Peking "responsible for the serious consequences of these provocations."

The Soviet Note accused China of invading Soviet territory in the Kazakhstan area across Sinkiang province and charged that its troops had opened fire on Soviet border guards.

The Note said that a Chinese herdsman was sent 400 metres across the border into Soviet territory at 6 p.m. local time. "The violation of the frontier was supported by a group of Chinese servicemen who had secretly penetrated into Soviet territory."

"In response to the demand by Soviet frontier guards that they leave Soviet territory, the Chinese servicemen suddenly opened fire from machine-guns at the Soviet frontier detachment.

"In self-defence, the Soviet frontier guards were forced to open fire in return, after which the violators left the territory of the Soviet Union".

The Note did not mention any casualties or say how many troops were involved.

USSR Calls For Negotiations:

The Soviet Union announced on June 14 that it had called on China to begin negotiations within two or three months on disputes involving their border.

Tass said a Government statement to that effect had been presented to the Chinese Embassy in Moscow.

The Agency made public the text of the declaration, in which Moscow stated that until the two countries met to settle their differences, both sides should refrain from fighting along the border.

[The new Soviet statement was the third demand on China to resume border talks that were broken off in 1964. The first Note, sent on March 29, was followed on April 11 by a Note proposing opening of the negotiations within a few days. Peking replied on May 24 with a statement agreeing to the idea of border talks but demanding that Moscow accept the Chinese view that the treaties by which Czarist Russia had acquired Far Eastern territories from Imperial China in the second half of the last century were "unequal" and should be annulled. The latest Soviet statement rejected this contention and upheld the legality of Soviet possessions.]

More Chinese Allegations:

On June 15, China charged that the Soviet Union had provoked 4,189 border incidents from October 15, 1964 to March 15 this year and since March 15 had carried out "more vicious armed provocations."

October 15, 1964 was the date the Soviet Communist Party Chief, Mr. Brezhnev and Mr. Kosygin came to power in Russia. March 15 was the date of the second of two bloody clashes over the Ussuri River border island, called Chen Pao by China and Damansky by Russia. The first was on March 2.

The Chinese charges, broadcast by the official **New China News Agency,** made no mention of the Soviet call for China-Soviet border talks in Moscow within the next two or three months, nor of the earlier Chinese call for negotiations on an entirely new Border Treaty.

NCNA said that since Mr. Brezhnev came to power, the Soviet Union had "again and again increased troop strength along the Sino-Soviet border, disrupted more rapidly the **status quo** of the boundary, carried out armed provocations and created incidents of bloodshed."

(**The Times**, London, **Tass**, **The New York Times** and **The Hindustan Times**, New Delhi)

[Prev. ref. 9004:CHI:A]

B. Bulgaria Accused Of Supporting "Two Chinas:" Peking Radio reported on June 3 that China had protested to Bulgaria against the invitation to Taiwan (Formosa) to attend the World Inter-Governmental Conference on Tourism held in Sofia in May.

According to the broadcast, a spokesman for the Information Department of the Chinese Foreign Ministry called the Bulgarian act a "shameless provocation against China" and an "extremely serious anti-China political incident."

Reminding Bulgaria that she was one of the countries maintaining diplomatic relations with China, Peking warned that Bulgaria must be held "fully responsible for the consequences if Bulgaria persists in the plot of creating 'two China'."

The statement accused the Bulgarian Government of having warmly treated the Formosan Government delegation as a guest of honour, repeatedly requesting the delegates to attend Bulgarian Governmental activities.

It recalled that the Bulgarian Press had time and again described Formosa as a "country" and openly published photographs of Gen. Chiang Kai-shek.

The spokesman said Bulgaria had invited Formosa after ignoring the Chinese Government's repeated warnings and strong protests. He alleged that Bulgaria had perpetrated yet another "new crime" of creating 'two Chinas' and making itself the "enemy of Socialist China" at the instigation of the USSR.

Tracing Soviet "underhand dealings" with Formosa, the spokesman recalled that USSR had let Formosa sign as a sovereign State a partial nuclear test ban Treaty in 1963, recently sent a "correspondent" to Formosa and published in the Soviet Press the Formosan flag, calling Taiwan a "country" and Gen. Chiang Kai-shek as "President."

The Peking statement pointed out that the Formosan delegation would go to the Soviet Union for "activities" after the Sofia conference. "This shows the present anti-China farce of creating 'two Chinas' was stage-managed wholly by Soviet revisionism."

Calling Bulgaria's Prime Minister, Mr. Todor Zhivkov "a lackey fostered wholly by Soviet revisionism," it said that he had served as an "accomplice" in the Soviet aggression of Czechoslovakia and supported the Soviets with anti-China articles, speeches and statements after the Chen Pao Island incidents.

Stressing that the Government of the People's Republic of China was the *sole* legal Government for the Chinese, the Foreign Ministry spokesman re-iterated that Formosa had always been an inalienable part of Chinese territory.

He declared: "The Chinese people are determined to liberate Taiwan and resolutely oppose any plot to create 'two Chinas'."

KMT Officials Visit Sofia:

A **New York Times** report from Taipeh on June 8 said that three officials of the KMT Administration had visited Bulgaria for the conference. It was the first authorized visit by KMT officials to a Communist country since 1949.

Two of the men, Mr. Chen Shu-yu of the Tourism Council of the Ministry of Communications, and Mr. Li Cheng, deputy director of the Formosan provincial Government's Tourism Bureau, spent two weeks in Sofia. The third, Mr. Tao Chung-yu, is Press Officer of Formosa's Embassy in Beirut. The men travelled by way of Vienna and did not pass through any other Communist country.

Although the two tourism officials were unavailable for comment, a source close to them insisted that the visit had no political significance. "It was all very simple," he said. "We received an invitation to go, so we went."

"The fact that the conference was in Bulgaria did not matter to us. It would have been the same if our delegates had gone to the USA. There were no political discussions. It was just a tourism conference."

Observers in Taipeh were sceptical of this explanation. They pointed out that for years Generalissimo Chiang Kai-shek's **regime** and the Communist countries had been bitter enemies. A decision to send representatives to Eastern Europe could have been made only at the highest levels of Government.

(The Statesman, Calcutta, **The Times of India,** Bombay and **The New York Times)**

C. Relaxation Of Restrictions On Diplomats: A correspondent of the French News Agency posted in Peking reported on June 9 that the diplomatic corps in the Capital was beginning to benefit from a climate of **detente** which had become evident in the six weeks since the Ninth Communist Party Congress.

On the day he filed the despatch, he said that three Ambassadors—those of Norway, Finland and Denmark—were travelling 450 miles into the provinces to visit Yenan, a favour unheard of since 1967. The British **Charge d'Affaires** was on the verge of visiting Shanghai and Nanking.

Besides, there were no demonstrations at the Soviet Embassy, in spite of the renewal of border incidents, *or at the* Bulgarian Embassy, in spite of the presence of a Formosan delegation at the inter-Governmental conference on tourism in Sofia in May.

In fact, there had been no mass demonstration in Peking since the end of the Ninth Party Congress on April 24.

Diplomats remarked that the **detente** was yet to bring the least solution to such basic problems as the situation of foreigners imprisoned in China. Moreover, a few visiting foreign technicians had reported encountering harassment, particularly in the provinces.

But diplomats had definitely been meeting with more amiability than previously. Simultaneously, China after the Cultural Revolution had begun a return to the international scene and the operation of a more realistic and moderate home policy.

Chinese Ambassadors had been leaving for posts abroad since the Congress. The only Ambassador to stay at his post during the Cultural Revolution was the representative in Cairo. Now six were back at work and a seventh, the former Ambassador in East Berlin, was set to leave for Bucharest.

(The Times, London)

[Prev. ref. 8124:CHI:H]

D. Currency Re-named: According to the Communist newspaper **Ta Kung Pao** on June 16, the term for Chinese currency has been changed to Renminbi (people's currency) from Jen Min Piato (JMP).

The abbreviation for the new term is RMB.

The change was set by the administrative headquarters of the Bank of China.

(The Statesman, Calcutta)

INDIA

A. Kutch Boundary Demarcation Agreement: With the completion of the demarcation of the Kutch boundary, yet another Indo-Pakistani dispute—which in 1965 had led to armed clashes—has been settled.

The documents relating to the boundary settlement in accordance with the Award of the International Tribunal were signed on July 4, 1969.

With the dispute thus ended, the controversy over the Award itself is likely to simmer for some time, inasmuch as two eminent jurists, the former Attorney-General of of India, Mr. Motilal Setalvad, and the former Foreign Minister, Mr. M. C. Chagla, have held diametrically opposite views about the Award.

According to Mr. Chagla, the Award is a political one, while Mr. Setalvad has argued that it is judicial.

Pakistan had claimed that it was entitled to the northern half of the Rann of Kutch on the basis of the exercise of jurisdiction in the area by the Sind Administration ever since the annexation of Sind by the British in 1843.

Pakistan's claim was also based on the ground that the Rann of Kutch is either a landlocked sea or a boundary lake separating the two countries from each other, and that the boundary line must, therefore, run through the middle of this area since there was no special treaty declaring otherwise.

As against this, it was India's case that the totality of the evidence available established without doubt that there was no dispute regarding Kutch, which had always been in possession of the Rann in its entirety. Furthermore, the Rann of Kutch is not a landlocked sea or a boundary lake, but only a marsh to which the principles referred to by Pakistan could not apply.

The Tribunal—comprising Sweden's Dr. Gunnar Lagergren (chairman), Mr. Nasrollah Entezam of Iran and Dr. Ales Bebler of Yugoslavia—had totally rejected Pakistan's case that the entire Rann itself formed the boundary between adjacent lands. This theory, alluded to as a suggestion in Pakistan's first oral argument before the Tribunal, was made the principal basis of Pakistan's case in its second oral argument.

While it was admitted that "boundaries having the character of broad belts of territory are a well-known historical phenomenon," the Tribunal came to the conclusion that this was not so in the case of the Rann. Thus, the foundations of Pakistan's case were demolished.

However, the Tribunal awarded about 10 per cent of the area in question to Pakistan. On an examination of the evidence before it, the Tribunal came to the conclusion that Sind did exercise authority over this area, notably over Pirol Valo Kun, Rahim ki Bazar, Dhara Banni and Chhad Bet.

What transpired after India and Pakistan became Independent in 1947 is not very pertinent to the issue, as the Tribunal said, since that is precisely the point at issue. But, because of the imprecise topographical features of the region and the impossibility of exactly delimiting many acts of State authority, the boundary must sometimes be represented by straight lines (according to the Tribunal).

In doing so, the Tribunal awarded two small inlets cutting into the Nagar Parkar district of Sind to Pakistan. As early as in 1885, the Deputy Commissioner of Thar Parkar had pointed out that if these inlets were to be considered Kutch territory, "a glance at the map will show that Parkar would be a peninsula almost entirely surrounded by Kutch territory."

It is in respect of these two small inlets that the Tribunal referred to the "paramount consideration of promoting peace and stability in this region" which "compels the recognition and confirmation that this territory, which is wholly surrounded by Pakistani territory, also be regarded as such."

It is about this reference to "the paramount consideration of promoting peace and stability in this region" that Mr. Chagla and Mr. Setalvad differed.

Maps Signed:

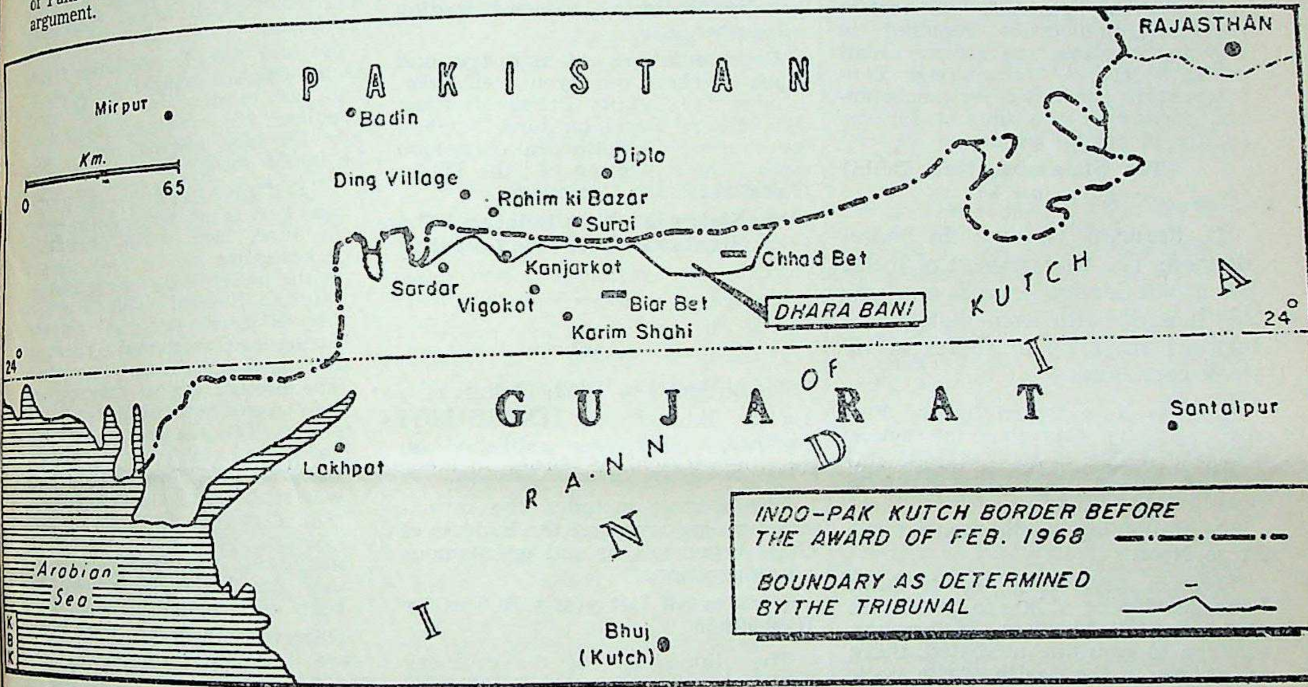
On July 4 in Islamabad, the plenipotentiaries of India and Pakistan signed the strip maps of demarcation. These cartographic documents were also authenticated by the representatives of the two Governments in overall charge of the demarcation as well as by the technical officers-in-charge.

Fifteen sets of maps were signed in the original, five of which were retained by India and an equal number by Pakistan, and the remaining five sent to the Tribunal for record.

In all, approximately 1,500 documents were signed by the two sides.

Indian and Pakistani personnel stationed on the Rann of Kutch moved to their respective sides of the boundary demarcated in accordance with the International Tribunal's Award.

The map below shows the demarcation of the Rann of Kutch boundary following the International Tribunal's Award.



(The Times of India, Bombay and New Delhi)

[Prev. ref. 8569:PAK:B]

B. **Chinese Link Road In Kashmir:** It was officially confirmed in New Delhi on June 21 that the Chinese had built a second link road connecting Pakistan-occupied Kashmir with Aksai Chin under Chinese occupation.

An Indian official spokesman said: "We have evidence that the road has almost been completed."

He added that the Government was considering what steps should be taken in the matter.

(The Times of India, New Delhi)

[Prev. ref. 8042:INI:L, 8351:INI:G]

C. **Credit To Ceylon:** According to an Agreement signed in New Delhi on June 30, India has agreed to give a new credit of Rs. 5 crores to Ceylon to purchase capital goods from India.

The new line of credit will help finance supply from India of commercial vehicles, machine tools, industrial and construction machinery, agricultural, railway, electrical and tele-communication equipment.

With this Agreement, the total credits granted by India so far to Ceylon amount to Rs. 12 crores.

The first credit of Rs. 2 crores, which had been fully utilized, had financed the purchase of certain essential commodities required in Ceylon. Against the second credit of Rs. 5 crores, commercial contracts were concluded for a substantial portion of the amount for the supply of capital goods.

(**The Statesman**, New Delhi)

[Prev. ref. 8811:CEY:A]

D. **Forward Trading In Shares Banned:** The Government of India, by a *notification* issued on June 27, banned with immediate effect forward trading in shares at all stock exchanges.

A Press Note issued by the Finance Ministry said that the action had been taken to curb certain *unhealthy trends and prevent undesirable speculation.*

The following is the text of the Press Note:

"Certain unhealthy trends have been developing of late in the shares and securities business. If they are allowed to continue unabated, there is danger to the health of the stock market and to the investment climate, particularly when there is a revival of public investment interest in the capital market.

"To curb these unhealthy trends and to prevent undesirable speculation, the Central Government has, by a notification issued on June 27 in a **Gazette of India** Extraordinary, banned with immediate effect forward trading in shares at all Stock Exchanges.

"Existing contracts entered into up to the date of the notification and remaining to be performed are, however, permitted by the same notification to be liquidated in accordance with the rules, by-laws and regulations of the Stock Exchanges concerned."

A similar ban was enforced in November, 1962 in the wake of Chinese aggression when share prices registered a precipitous fall and the Government had to fix minimum prices.

The effect of the ban is that trading in the stock exchanges will hereafter be confined to the cash section.

Financial circles were critical of the Government's decision and feared that the ban would cause a setback to the investment market. According to them, the prevailing prices of shares in the various stock exchanges were not such as to warrant such an extreme action.

Even if the Government wanted to correct "scattered instances of speculation," it should have been done by tightening the by-laws and regulations of stock exchanges and not by abolishing forward trading altogether.

Representatives of industry and stock markets conveyed their reaction to the Deputy Prime Minister, Mr. Morarji Desai, on June 28 when he visited Calcutta in connexion with the meeting of the Direct Taxes Advisory Committee.

(**The Statesman**, New Delhi and **The Hindustan Standard**, Calcutta)

IRAQ

A. **Budget For 1969:** Details of a record Budget of ID666,641,514 for fiscal 1969 were published on *May 27 in the official* gazette.

The Budget included the investment programme and the budgets of State organizations and autonomous administrations.

It exceeded last year's Budget by ID55,993,680.

The allocations of the ordinary Budget came up to ID267,959,720 while the revenues amounted to ID262,644,087.

Of this, 25 per cent was for educational and cultural services, 12 per cent for economic affairs and the balance for social and health services, pensions, the police and international commitments.

A sum of ID111,420,000 was allocated to the investment programme.

The Budget law provided that the share of the Budget of the Economic Plan for the current fiscal year shall be 50 per cent of the total share of the Government in the royalties of exported oil for 1969.

(**Baghdad Observer**)

[Prev. ref. 8423:IRQ:A]

B. **Peace Offer To Kurds:** Brig.-Gen. Saadoun Ghaidan, one of the five officers who form the highest executive authority—the Revolutionary Command Council—and Commander of the Baghdad Garrison, announced in the third week of May that the Government had offered to make peace with the Kurdish insurgents who had been fighting the Army off and on for the last eight years.

The basis of the peace offer was a promised law which would give 1.5 million Kurds, forming about one-fourth of the country's population, self-government in northern districts which border Iran and Turkey.

He said the Revolutionary Command Council wanted a "peaceful and just solution" to the Kurdish problem. He announced that a new law for local administration would be issued soon.

[Self-government for the Kurds was part of an agreement reached in June, 1966, which established a cease-fire in the north. Insurgents under 66-year-old Mullah Mustafa Barzani ended the cease-fire in March this year after accusing the Government of procrastination in fulfilling its promises. The present **regime** endorsed the 1966 Agreement when it came to power. The Kurds also were reported to have decided to continue fighting until the present **regime** was replaced by one more favourably disposed towards Kurdish national aspirations. The Kurds, mountain tribesmen who claim they are Aryan, not Semitic, had been asking for autonomy.]

Observers believed that there were several reasons for the **regime's** peace bid to the Kurds. Most important, according to them, was the Kurdish threat to Iraq's oil industry. (The $400 million Iraq gets annually in oil revenue constitutes more than 65 per cent of its total national income.)

Kurdish insurgents had initiated new hostilities with a mortar attack on March 1 on installations of the Iraq Petroleum Co., a consortium of major Western oil companies, in Kirkuk, about 60 miles north of Baghdad. They had also threatened further strikes at oil installations.

Iraq's current heavy commitment to the Arab cause in the confrontation with Israel was another reason for Baghdad's willingness to come to terms with the insurgents. In addition, Iraq was engaged in a serious dispute with neighbouring Iran over navigation in Shatt al-Arab, the estuary on the northern tip of the Persian Gulf forming the southern border-line between the two countries.

Iraq had been accusing the Iranian Government of supplying the Kurds with weapons.

(The New York Times)

[Prev. ref. 8539:IRQ:A]

JAPAN

A. Rise In GNP: The Economic Planning Agency on June 11 released figures which confirmed that the Gross National Product (GNP) of Japan in 1968 placed it ahead of West Germany as the second largest economic Power among non-communist countries after the United States.

The figures showed that Japan's GNP was $141.9 billion in 1968, or an 18.7 per cent growth in nominal terms and a 14.4 per cent expansion in real terms over the year before.

In early March, a figure of $135.77 billion had been estimated, compared with $132 billion for West Germany.

Observers believe that the continued growing rise in Japan's economic strength would make her play a more active role in economic development in Asia, which was badly in need of industrial funds and technologies.

Japan's **per capita** annual income rose to $1,110—an increase of 15.6 per cent over the previous year. It ranked Japan 20th among non-communist nations.

National income totalled $112.2 billion in 1968—an increase of 15.6 per cent over 1967. This was attributed to a 16.9 per cent increase in employed persons' incomes and a 25.2 per cent increase in corporate income.

Consumer spending totalled $74 billion—an increase of 15.1 per cent over 1967. Government investments in industries and other fields rose by 16 per cent, while private investments registered a 28.2 per cent rise over the previous year.

(The New York Times)

[Prev. ref. 8562:JAP:B, 8960:JAP:A]

KOREA (North)

A. Economic Aid To South Yemen: An Agreement providing for economic aid to South Yemen was signed in Pyongyang on June 5.

The Agreement was signed for North Korea by the Finance Minister, Mr. Yoon Ki Bok, and for South Yemen by its Finance Minister, Mr. Saif Ahmed Dhalai.

The occasion was the visit of President Qahtan Muhammed al-Shaabi of South Yemen who had prolonged talks with the Prime Minister, Mr. Kim Il Sung, and other leaders.

Under "the Agreement, North Korea will render a series of financial and economic aid **gratis**" to South Yemen.

An official statement said the Agreement would contribute to further strengthening and developing the relations of friendship and co-operation sealed between the peoples of the two countries.

(Pyongyang Times)

[Prev. ref. 8586:SYM:A]

KUWAIT

A. First Political Trial Announced—Background: The tiny Arabian State of Kuwait (15,000 square kilometres and population of about 600,000, half of which is formed of aliens) will soon have its first political trial since the country gained Independence from the British on June 19, 1961.

Its Minister of Interior, Sheikh Saad Al Abdullah Al Sabah, has said that a State Security Court, the country's first, would be set up soon to try a number of persons accused of sabotage and anti-State activities. Neither the number of persons involved nor their names were disclosed, but he said that they had confessed their crimes.

The defendants are believed to be those accused of responsibility for the bomb explosions which took place in January, 1969. Some of the explosions, set off by home-made devices, were said to have taken place near the Ministry of Interior itself, and Sheikh Saad's own residence. A number of persons were arrested, and about 400 non-Kuwaiti Arabs were said to have been deported in the wake of explosions.

Technically, Kuwait is still under a State of Emergency, declared during the June, 1967 war with Israel. However, the Government has not been applying the emergency laws strictly. Should it choose to do so now, it would mean death sentence for the alleged saboteurs. There has not yet been any political execution in Kuwait. Only one man has been hanged recently for murder and Kuwait built its first scaffold for him.

It is said that the arrested persons include trade unionists, students and some members of the banned Arab Nationalist Movement (ANM), the Pan-Arab organization whose Kuwaiti branch has been conducting the main opposition in the country.

The January, 1969 explosions coincided with a strike by oil workers launched in protest against a Government law pertaining to the regulation of working conditions for workers with the oil companies. The Government had introduced new amendments to it providing special privileges for Kuwaiti nationals, to the exclusion of workers of other nationalities.

The fact that the explosions also took place on the anniversary of the election of the National Assembly or Parliament evoked the suspicion that ANM elements had a hand in it. This is because the ANM had been strongly opposed to the Assembly and its Deputies have had a long history of standing against it.

Some Press reports said the explosions were actually set off by members of the newly-established Aden-based "Front for the Liberation of Occupied Arabian Gulf" in which the ANM is represented. But the South Yemeni Premier, Mr. Feisal Abdel Latif Al Shaabi denied during a visit to Kuwait that the Front's plans covered Kuwait. He explained that the Front only sought to liberate areas in the Gulf which were under colonialist and imperialist domination.

This is the first serious case of subversion faced by oil-rich (annual income about $650 million) Kuwait. But there have been many political crises. Independence had hardly been proclaimed when the then Iraqi Premier, Lt.-Gen. Abdel Kerim Kassem claimed Kuwait as an integral part of Iraq.

The claim provoked a crisis of maximum proportions resulting first in the landing of British troops in Kuwait under the Protection Agreement between the two countries, and later by Arab League troops who replaced the British forces. In 1963, the Ba'athist **regime** in Iraq, which had overthrown and executed Kassem, extended official recognition to Kuwait in exchange for a loan (that was never paid back) of $20 million.

That year (1963), Kuwait witnessed the first internal political crisis when 31 of the 50 members of the National Assembly walked out **en** masse from an Assembly session in disapproval of some members of a new Cabinet formed then. The Cabinet was later re-shuffled. Thus far, the Royal family had held together. Signs of a serious split inside the Royal family occurred as the late ruler, Sheikh Abdullah Al Salem Al Sabah, the first Emir after

Independence, fell seriously ill and the Royal family faced the ticklish issue of choosing a new Crown Prince, since the then Crown Prince, Sheikh Sabah Al Salem Al Sabah, brother of the old Emir, would become the new ruler at the death of his brother. This was early in November, 1965.

The Royal family agreed that Sheikh Jaber would be the new Crown Prince, which meant that he would succeed the present ruler, Sheikh Sabah Al Salem, who became the Emir when the late Sheikh Abdullah died in November, 1965.

In the short period since Independence, Kuwait established the first democracy in the Arabian peninsula. Immediately after gaining freedom, a Constituent Assembly was chosen which laid down a Constitution for the country. The first Parliament was elected in January, 1963, and the second, which is now in session, was elected in 1967. The Parliament's term is for four years.

Criticism by the opposition, especially by the ANM, is centred on the argument that despite the parliamentary form of Government in the country, the Royal family, with its monopoly on the main portfolios in the Cabinet, still wields immense powers.

(The Hindustan Times and The Times of India, New Delhi)

B. Industrial Training Centre: A large Industrial Training Centre costing some $4 million and capable of training 300 workers a year is to be established by the Government. Construction work has already begun on a 15,000-squaremetre site.

The decision to build the Centre directly followed the successful results from the UNDP-ILO-assisted Pilot Centre for Vocational Training of Adult Workers in Kuwait. During its first year of regular training activity, the Pilot Centre offered a 12-month accelerated course for 30 skilled workers and another course lasting two years for 30 instructors. By the beginning of 1969, 33 craftsmen trained at the Centre were released for jobs in industry.

The Centre was created under the UNDP-supported technical assistance programme. The Government of Kuwait has acquired for the Centre (recruited on Government funds) the services of four ILO instructors who are providing instructor courses in motor vehicle repair and maintenance; electrical trades; air conditioning and refrigeration; and maintenance of water desalination plants.

(UN Newsletter)

[Prev. ref. 6516:KWT:B, 8320:AOA: R]

LEBANON

A. Crisis Over Palestine Commandos: The Lebanese "crisis", now over two months old, was stated on June 21 to be moving towards a solution.

The "crisis" was not so critical because Lebanon has survived for almost two months without a Government since the Ministers in the out-going Cabinet of the Premier, Mr. Rashid Karame have been dealing only with routine matters. Yet the issue involved—as an exception to the usual Lebanese crisis—is both very real and very important.

The first characteristic of the crisis was that Mr. Karame began it by declaring openly and categorically that it involved a clash between those who wanted the Palestinian commandos to be given full freedom to operate in Israel from Lebanese territory and those who wanted them to be curbed so as not to give Israel a pretext for attacking Lebanon.

[It so happens that the former group is largely, though not wholly, Muslim, while the latter are mainly, thought not exclusively, Christian.]

Mr. Karame had said that he would not form a new Cabinet till a general agreement was reached on the commando issue.

After about three weeks of intense negotiations, in which the commando leaders and the Egyptian representatives took part, it was agreed that in future, commando activities should be "co-ordinated", which everyone took to mean that they would be strictly controlled. No one has been able to give a firm figures of what the number of the commandos is —figures vary from 300 to 3,000 with about 1,000 being the best guess.

The President, Mr. Charles Helou, has been firm: under his constitutional obligation to defend the sovereignty and integrity of Lebanon he has said that he could not accept the **fait accompli** of hundreds of uninvited armed men on Lebanese soil. Almost all political leaders, including Mr. Karame have agreed with the President in his interpretation. However, deep differences developed over how the commandos were to be got out of Lebanon since they have, so far, refused to leave of their own free will. President Helou said that he favours an amicable arrangement, but also insisted that the use of force, by the Army, against any recalcitrant commandos could not be ruled out even if only as a last resort. Mr. Karame also insisted that he could never be party to the use of force even though he agrees that the commandos must leave.

Now, finally, it has been agreed that a Government will be formed even before the commando question is settled, and that this problem will be left over to be worked out later by the President, the Premier and the Chief of the Armed Forces.

(The Times of India, New Delhi)

[Prev. ref. 8963:LEB:A, 8996:LEB: A]

NEPAL

A. Indian Military Group's Presence—Mr. K. Bisht's Statement And Reaction: The Prime Minister, Mr. Kirtinidhi Bisht, in a major policy statement on June 24, called for the withdrawal of Indian military personnel in the Kingdom's northern border checkposts and also of the Indian military group in Khatmandu.

In an interview with the official English daily **Rising Nepal,** a copy of which was officially made available, Mr. Bisht said that work, of both the Indian military personnel and Indian military group had been completed in Nepal. "They can and should, therefore, be withdrawn."

Replying to a question regarding their mutual obligations under the 1950 Treaty of Peace and Friendship between Nepal and India, he said that since the Treaty was signed three years after India's Independence, there had been several military developments of important character in India. Such developments had taken place in India's relations with the Soviet Union and the United States on the one hand and with Pakistan and China on the other. Nepal was not informed of these developments and India had, therefore, assumed and had led Nepal to assume that exchange of information in such cases was unnecessary.

Nepal, he said, did not believe in the existence of "special relations" between his country and India.

Asked to comment on Mr. Dinesh Singh's theory of "special relations" between the two countries, he said it was incorrect to say that Nepal alone had benefited from such relations.

Asked about Nepal's Arms Assistance Agreement with India, he said that at India's own verbal suggestion for its cancellation, "the Government has written to New Delhi that so far as Nepal is concerned the Agreement does not stand any more."

The statement by Mr. Bisht touched off a major controversy over the propriety of his making a policy statement in public while the National Panchayat was in session.

Mr. Rishikesh Shaha On Statement:

Mr. Rishikesh Shaha, a member of the National Panchayat and a former Foreign Minister, said at a news conference in Khatmandu on June 26 that he had sought to move a privilege motion in the Panchayat on June 25 against the Prime Minister, charging him with "contempt of the House". It was, however, disallowed by the Chairman.

Mr. Shaha said that Mr. Bisht had shown undue haste in granting an interview to a daily newspaper. "If this is the way diplomacy is conducted, let us have a White Paper on Indo-Nepalese relations."

Mr. Shaha's main objection was to Mr. Bisht replying outside the Panchayat to certain points raised by him (Mr. Shaha) in the course of the debate on the Motion of Thanks to the King for his Address to the House. "This is definitely an insult to the House and to me."

Mr. Shaha confessed complete lack of knowledge of the Arms Supply Agreement mentioned by Mr. Bisht in his statement and said: "The Prime Minister did not at any time take the nation into confidence about it. Against whom will Nepal use these arms?"

He criticised USA and UK for supplying arms to "backward Afro-Asian countries", and remarked: "Look at what has happened in Pakistan due to the dumping of arms by them."

He said there were contradictions in the statements made by Mr. Bisht in the statements made by Mr. Bisht in the course of the Royal Address and in the interview published by the **Rising Nepal** and said: "I confine myself to using parliamentary language. The Prime Minister's statement to the House is false."

Through the Royal Address, the Prime Minister had said a few days earlier that Nepal's relations with India and China were growing stronger. At the interview granted to the **Rising Nepal**, he complained of a campaign of vilification in the Indian Press against Nepal, lack of progress in the Karnafuli project and other difficulties of trade and transit. Why did not the Prime Minister tell the House about such developments? Mr. Shaha asked.

He expressed the view that India and Nepal were inter-dependent. There were good prospects for trade between the two. The "racket of gift parcels" had to be ended by joint efforts of both the Governments. Nepal's sovereignty would be secure only by the growth of understanding between India and China. Nepal did not need arms supply. The Indian Government should be happy to withdraw its military personnel from Nepalese check-posts as also the Indian Military Liaison Group.

National Panchayat Members' Views:

In the debate on the Royal Address in the National Panchayat (Parliament) on June 24, seven members expressed the view that it was not at all reasonable to allow what they called "Indian check-posts to continue to stay on the northern border of Nepal."

They said: "The self-respecting Nepalese can never tolerate that foreigners should rule them. Nepal on the basis of friendship had allowed India to construct dams on the Kosi and Gandak rivers. It becomes, therefore, imperative on the part of Nepal to negotiate with India on the basis of friendship to withdraw Indian personnel at check-posts on the northern borders".

They also asked the Government to act firmly "in the case of the Trade Agreement and Susta."

They called on the Government to make contingents of the Royal Army and police stationed in the border regions more effective and efficient and to utilize ex-Servicemen for defence.

Chinese Reaction:

The **New China News Agency**, commenting on the call by Mr. Kirtinidhi Bisht for withdrawal of Indian military personnel from border check-posts, said that "Bisht's words sound reasonable and have reflected Nepal's indignation at Indian expansionists."

A despatch from the **Agency** said: "India has invented the theory of so-called special relationship in order to control and unleash aggression against its neighbours."

Indian Reaction:

The official Indian reaction on June 25 to the Nepalese Prime Minister's statement publicly calling for the withdrawal of Indian personnel on the Nepal-Tibet border check-posts and the Indian Military Liaison Group in Khatmandu was cautious. It decided merely to take no official notice of it.

But Mr. Bisht's statement given in the form of an Press interview, it was said, serves a very clear Nepalese purpose. It is a tactical reply to India's new approach, expounded by India's Foreign Minister, Mr. Dinesh Singh, during his recent visit to Nepal.

In these circumstances, India's decision not to over-react to it was considered wise because it would serve little purpose to engage in public polemics on the subject. There is no indication so far when the Nepalese wish to raise it in serious discussions with the Indian side.

The present Nepalese approach seems to be to try to relate the problem of the Indian presence at the checkposts and the Military Liaison Group to its unacceptability in terms of Nepal's new nationalism, particularly to the feelings of the young generation.

[Mr. Dinesh Singh had taken pains at his news conference on June 9 to allay misgivings about his mentioning "a special relationship" between Nepal and India that such a statement did not indicate in any way loss of sovereignty for either country.]

In the first place, it was stated, there are no Indian military personnel posted at the check-posts. What exists in Nepal is a Military Liaison Group of 23 men, headed by an officer of the local rank of Major-General.

Secondly, if Mr. Bisht wants this small group to be withdrawn, the matter should better be taken up at the governmental level rather than through the columns of a newspaper.

As a matter of fact, during the recent visit to Nepal of the Indian Foreign Minister, Mr. Dinesh Singh, this question was referred to by the Nepalese side, but it did not press for the pull-out of the Military Liaison Group.

The liasion group of 23 men including batmen and orderlies, it was said, is in Nepal at the specific request of the Government of Nepal because one of the clauses of the Indo-Nepalese Treaty of 1950 says that Nepal "shall be free to import from or through Indian territory the arms, ammunitions, material and equipment necessary for her security."

In 1952-53, there was an Indian military contingent of almost battalion strength for training purposes in Nepal at the specific request of

His Majesty's Government. When the training programme was over around 1958-59, this contingent was withdrawn. What has existed since is only the Liaison Group of 23 men, and that too at the specific request of the Government of Nepal, to assist that country in the purchase of stores and equipment.

It is true that the Indo-Nepalese Treaty contains a clause which says that the two Governments will keep each other informed of major military developments in their countries, but, it was said, no major military development has taken place between India and the United States or the Soviet Union except that India is procuring some military equipment from the latter country. As regards Sino-Indian and Indo-Pakistani developments in the military sphere, these are a matter of public knowledge. Moreover, Nepal was kept informed of these developments, though perhaps not through formal diplomatic channels.

(**The Statesman**, Calcutta, **The Times of India**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 8996:NEP:A]

B. **Students Demand Recovery Of Territory In Chinese Hands:** *Nepal's students expressed their resolve on June 25 to recover from "expansionist, imperialist and reactionary" China 250 square miles of territory which, they say, belongs to Nepal.*

The area includes strategic places like Tingri Maidan, Khasa, Tingal Gaon, Tangla and Rasua. Nepal lost the territory to China, they say, because of the Sino-Nepal Boundary Treaty signed by President Liu Shao-chi and King Mahendra in 1961.

The students had submitted 21 demands to the Nepalese authorities in a manifesto issued during the student union election campaign.

Besides the demand to recover territory from China, the manifesto also claimed that "Susta is our land, we shall not give it to India. Susta also will have to be recovered whatever the circumstances."

(**The Statesman,** Calcutta)

[Prev. ref. 4177:NEP:B, 5428:NEP:A]

C. **Mr. Dinesh Singh's Visit:** The Indian Minister for External Affairs, Mr. Dinesh Singh, arrived in Khatmandu on June 5 on a five-day official visit.

Mr. Singh, accompanied by his wife and some senior External Affairs Ministry officials, was welcomed by Nepal's Minister for Foreign Affairs, Mr. Gehendra Bahadur Rajbhandari and senior officers of the Foreign Ministry, including the Foreign Secretary, Mr. Yadunath Khanal and Nepal's Ambassador to India, Mr. Bhim Bahadur Pandey.

Besides the Indian Ambassador, Mr. Raj Bahadur, the only other head of mission present at the airport was the British Ambassador, Mr. A. R. Kellas.

The same day (June 5), Mr. Dinesh Singh had an audience with King Mahendra at which bilateral matters were discussed.

Talks:

At discussions between Mr. Dinesh Singh and Mr. Rajbhandari, India and Nepal reached agreement on appointment of a joint survey team for solving the boundary problem of Susta.

In separate talks with newsmen, the two Ministers confirmed that officials of both sides would work out the mechanics of the survey. No deadline was set for the appointment of the survey team.

At a news conference before he left for New Delhi, Mr. Dinesh Singh recalled that he had said on the very first day of his arrival that he had come on a goodwill visit and not on a trip to resolve any specific issue. He declared that his talks with King Mahendra and Mr. Rajbhandari had led to a greater understanding of each other's views.

He said: "Some of the issues between India and Nepal require examination in depth, but the cordial relations prevailing between us will enable us to resolve the minor differences. I am happy that in a wide range of issues we discussed, we found identity of views between India and Nepal."

He would not reveal the substance of his talks with King Mahendra and emphasized that during his visit he was more concerned with promoting goodwill rather than with resolving specific bilateral issues.

He said India was "convinced that the prosperity of Nepal is necessary for stability in the region." All those he had met were desirous of maintaining close contacts with India and strengthening "our special relations." "We want Nepal's continued independence and it will be our endeavour to maintain our bonds and close co-operation."

Asked to elaborate his reference to India's interest in security over the Himalayas, he said: "If you have an open border between two countries, it is desirable that you have mutual consultations."

He re-iterated that India had no border dispute with Nepal over the ownership of Susta. "It is mainly a question of physical delineation of the border." Nepal wanted to look into some aspects of this specific problem. The question of delineation of the entire Indo-Nepalese boundary "never arose" during the talks.

Mr. Rajbhandari said that he did not see "much difference between a joint survey and appointment of a joint boundary commission for surveying common border areas that were posing problems to Nepal and India."

He was asked to correlate the latest agreement on appointment of a joint official survey team with the statement he had made last May on his return from New Delhi envisaging the appointment of a joint Boundary Commission to survey the entire Nepal-India boundary in the western sector.

He said the joint survey would include areas other than Susta on the Nepal-India border wherever they were posing a problem.

Mr. Dinesh Singh returned to New Delhi on June 9.

Joint Communique:

The following is the text of a joint **communique** issued at the end of Mr. Dinesh Singh's visit:

"At the invitation of Mr. Gehendra Bahadur Rajbhandari, the Minister of Foreign Affairs of Nepal, the Minister of External Affairs of India, Mr. Dinesh Singh, accompanied by a team of officials paid a goodwill visit to Nepal from June 5 to 9, 1969. During the period of his visit, Mr. Dinesh Singh had two audiences with His Majesty, the King of Nepal.

"He also had discussions with the Prime Minister of Nepal, and the Foreign Minister of Nepal, while the visiting Indian officials held discussions with the officials of HMG of Nepal.

"The two Foreign Ministers met several times and discussed frankly and cordially and in considerable detail the various questions of bilateral interest between the two countries.

"It was decided that official groups would go into them in greater depth to evolve recommendations for specific solutions and also to evolve specific plans for further co-operation in matters of common interest."

(**The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 8034:NEP:A, 8996:NEP:A]

D. Khatmandu - Dakshinakali Road Opened: The Prime Minister, Mr. Kirtinidhi Bisht, on June 10 declared open a 19-kilometre road which links Khatmandu with the Kingdom's most important pilgrimage centre, Dakshinakali.

The road, constructed with Indian aid, cost more than Rs. 19,00,000. It also links the ropeway terminal at Tribhuvan University campus to the central horticultural station at Kirtipur, Chovar, an important tourist centre. India had assisted Nepal to the extent of 85 per cent in the construction of the road.

Speaking on the occasion, Mr. Bisht paid rich tributes to Indian engineers and thanked India for her aid.

(**The Times of India,** New Delhi)

[Prev. ref. 5350:NEP:B, 8166:NEP:B]

E. The Dalai Lama's Representative Expelled: Mr. Sonam Wangyal Sarge, who had been functioning in Khatmandu since 1964 as the Dalai Lama's representative, suddenly boarded a plane for New Delhi on May 29 and his office ceased to function.

Sources close to Mr. Sarge said that he was summoned by the police on May 27 and kept at the police station for "almost the whole night."

A visit to Mr. Sarge's office showed that what was so for an office for organizing relief for Tibetan refugees had turned overnight into a private home occupied y the staff of the representative's office.

Informed sources indicated that Mr. Sarge was asked to leave Nepal within 24 hours.

Order Confirmed:

A spokesman of Nepal's Home Ministry confirmed that Mr. Sarge, "who used to pose as the Dalai Lama's official representative in Khatmandu," had been asked to leave Nepal.

Mr. Sarge was, several times in the past, warned by the Government against posing as the Dalai Lama's representative and given "sufficient time" to leave.

He said that the Government had no objection to Mr. Sarge organizing relief for the welfare of Tibetan refugees, but the Government could not recognize him as the Dalai Lama's official representative. "We do not recognize the Dalai Lama. We follow a policy of non-alignment and friendship with our neighbour."

There are at present about 10,000 Tibetan refugees in Nepal.

(**The Times of India,** New Delhi)

[Prev. ref. 9034:NEP:A]

PAKISTAN

A. **Mr. A. Kosygin's Visit:** The Soviet Premier, Mr. Alexei Kosygin, said at an impromptu airport news conference on arrival in Rawalpindi on May 30 from Kabul that he hoped for "tranquillity, **detente** and peace on the Indo-Pakistan sub-continent."

He was received at the airport by President Yahya Khan and his three Deputy Martial Law Administrators: Vice-Admiral S.M. Ahsan, Air Marshal Noor Khan and Lt-Gen Abdul Hamid Khan.

Mr. Kosygin said that his desire for **detente** was fully reciprocated by Pakistan's leaders and people. But he refused to comment on the present state of Indo-Pakistani relations.

Mr. Kosygin later had talks with Gen. Yahya Khan. On the Pakistan side, the Foreign Secretary and the Pakistan Ambassador in Moscow were present. Mr. Kosygin was assisted by the Soviet Ambassador to Pakistan and a Counsellor of the Soviet Foreign Ministry.

No details of the talks were disclosed. But Mr. Kosygin had said earlier that bilateral issues were to be discussed apart from international affairs and Indo-Pak relations.

Observers thought the bilateral issues included the possibility of Soviet aid for an $850 million steel plant at Kalabagh. But according to diplomatic sources, Soviet experts have already told Pakistan that they consider the project uneconomic as it would cost more to produce steel at Kalabagh than to import it.

According to **Radio Pakistan,** apart from Indo-Pakistan relations, Mr. Kosygin and Gen. Yahya Khan discussed matters of mutual interest, the West Asian situation and world issues.

Speaking at a banquet given in honour of Mr. Kosygin, Gen. Yahya Khan said that while Pakistan continued its efforts to reduce tension and create an atmosphere of good neighbourliness with India, "India's response has not been encouraging".

Radio Pakistan quoted him as saying: "India's attitude does not show that she is prepared to go into the root causes of the dispute between the two countries".

He added: "India's attitude towards Pakistan is hardening day by day".

Referring to relations between Russia and Pakistan, he hoped that the growing good relations between the two countries would help maintain peace in the area.

In his reply, Mr. Kosygin said that the Soviet Union wanted her neighbours—India, Afghanistan and Pakistan—to settle their differences and live together in peace.

He said: "We should like to see Pakistan, Afghanistan and India developing relations of friendship and constructive co-operation. The Soviet Union would do all it can on its part to promote this."

Mr. Kosygin spent 22 hours in Pakistan on his way home from Afghanistan.

In his airport remarks as he left for Moscow on May 31, Mr. Kosygin said he was sure the three Asian countries (Afghanistan, India and Pakistan) would make efforts to resolve their differences amicably.

Asked if co-operation between the three was possible despite their basic disputes, he replied: "I think given the mutual desire it is not only possible but also essential. All the more so because the people of India, for whom we hold great regard, want peace and a peaceful solution.

"It is the desire of the people of Afghanistan also. We are also convinced the people of Pakistan want peace. No solution can be found through war."

Asked if he shared President Yahya Khan's view that India's attitude towards Pakistan was hardening, he said: "Please do not ask me to comment on the position of India.

"I feel quite sure that given co-operation, an amicable settlement of disputes with India is possible in spite of those who wish otherwise. I am sure no country is hardening its attitude."

Joint Statement:

A Joint Statement said that Mr. Kosygin re-affirmed his conviction that an early solution of Indo-Pakistani disputes would be in the interests of the sub-continent's people.

The Statement said that President Yahya Khan explained Pakistan's efforts to settle all outstanding disputes with India in a peaceful manner.

Re-affirming their desire to co-operate in economic, cultural and other fields, it said both sides made it clear this was not directed against any third State.

It made no mention of arms sales by the Soviet Union to Pakistan, over which India had expressed concern.

The following is the text of the Joint Statement:

"Mr. Alexei Kosygin, Chairman of the Council of Ministers of USSR, made a brief visit to Pakistan on May 30, at the invitation of Gen. A. M. Yahya Khan, President of Pakistan.

"They held an exchange of opinion on bilateral Soviet-Pakistani relations and on international problems of mutual interest. These talks were marked by an atmosphere of cordiality and friendly mutual understanding.

"President Yahya Khan reviewed the latest developments in Pakistan. They did not touch upon the main principles of Pakistan's foreign policy. He expressed confidence *that Pakistan's friendly relations with the Soviet Union would continue strengthening.* On his part, Mr. Kosygin assured the President of Pakistan that the Soviet Union would continue her efforts in strengthening friendly relations with Pakistan.

"The two sides re-affirmed their desire to extend the sphere of co-operation between the two countries in economy, culture and other spheres. This co-operation serves the interests of the peoples of the two countries, the interests of friendship and peace in Asia and throughout the world and is not directed against any third State.

"Informing Mr. Alexei Kosygin of the situation on the sub-continent, President Yahya Khan noted that Pakistan was exerting efforts for the regulation of all outstanding disputes with India by peaceful means. Mr. Kosygin re-affirmed his conviction that an early solution of Indo-Pakistani disputes would accord with the interests of the peoples of the sub-continent.

"Both sides noted with great satisfaction that their views coincided on a number of major international problems.

"Both sides stressed the need for settling the West Asian issue on the basis of the Security Council resolution of November 22, 1967 and went on record in favour of the withdrawal of the Israeli forces from all territories they occupy.

"Touching upon the question of the current Paris talks on Viet-Nam, Mr. Kosygin and Gen. Yahya Khan stressed the need for a political solution to the Viet-Namese problem on the basis of respect for the inalienable right of the people of Viet-Nam independently to settle their destinies without any foreign intervention.

"The two sides re-affirmed their determination to strengthen the effectiveness of the United Nations as an Organization supporting peace."

Indian Comment:

Commenting on the Joint Statement, a Government of India official spokesman said: "India's policy in this respect is well known. We are keen to settle our differences by peaceful means and through bilateral talks."

He added: "We note that Mr. Kosygin, during his visit to Pakistan, has re-affirmed his conviction that an early solution of all Indo-Pakistani differences is in the interests of peace in the sub-continent and should be done in accordance with the Tashkent Declaration. We welcome and fully subscribe to this view."

When the spokesman's attention was drawn to the fact that the Joint Statement made no mention of the Tashkent Declaration, he said: "We have noted the absence of any mention of the Tashkent Declaration. But we have adequate evidence that in his banquet speech Mr. Kosygin *referred to the Tashkent Declaration."*

(**Pakistan Radio** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8332:PAK:A]

B. **Political Leaders' Call For Elections:** According to reports appearing in newspapers, several political leaders have demanded the restoration of complete political activity in the country and the holding of early elections.

Air Marshal Asghar Khan has urged the Yahya Khan **regime** to allow political parties to function and to prepare a time-table for the next General Election.

He said that it would be in the best interests of the country if preliminaries such as the preparation of electoral rolls and delimitation of constituencies were undertaken straightaway. He thought conditions were ripe for political activity.

Without mentioning names, he said that there were certain parties in Pakistan which believed in alien ideology and in values other than those for which Pakistan was created. These, he said, had no right to function and must be rooted out.

Mian Tofail Mohammed of the Jamaat-i-Islam Party in West Pakistan told a news conference in Multan that early revival of political activity would discourage elements who would like to create chaos in Pakistan. He pleaded for a revival of the 1956 Constitution.

[Both Wings of the Pakistan National Awami Party have, however, strongly opposed the revival of the 1956 Constitution.]

The Joint Secretary of the Wali group of NAP, Mr. Ajmal Khattak, opposed it on the ground that it would perpetuate the "one unit" scheme in West Pakirtan. He said that his party would not co-operate with other parties unless this question was rerolved.

Maulana Bhashani, National Awami Party leader, also expressed strong opposition to revival of the 1956 Constitution and suggested a national convention with representatives of all sections of the people to prepare a draft Constitution.

The country's Constitution, he said, must enjoy the support of all sections of the people of both Wings of Pakistan and should be put to a referendum for their approval.

Mr. Zulfikar Ali Bhutto, Chairman of the Pakistan People's Party, declared that his party would accept the 1956 Constitution only as a last resort and that too, only if certain amendments were incorporated in it. These amendments relate to question of "One Unit" which should be disbanded and representation of the people on population basis. The amendments would in effect mean framing a new Constitution.

(**The Times of India**, Bombay)

[Prev. ref. 8963:PAK:A]

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AFGHANISTAN

A. Move For Regional Transport Conference: According to an official statement in Kabul on June 24, the Afghan Government had contacted India—as also Iran, the Soviet Union, Pakistan, Turkey and Nepal—for the purpose of convening a transport and overland transit conference.

The conference was believed to be in furtherance of the Soviet proposal for co-operation among the countries of this region for their economic advance.

The statement said: "Afghanistan, since the completion of some of its major modern highways, has expressed the wish through diplomatic channels to hold a transport and overland transit conference in this part of Asia to be attended by Afghanistan, Iran, the Soviet Union, Pakistan, India, Turkey and Nepal.

"Increased contacts in this respect have been taking place recently. When all the invited participants express readiness through diplomatic contacts, steps will be taken to hold such a meeting in Kabul, which will be free from all other aims."

Regarding collective security, the statement said: "Afghanistan has never had, and will not wish to have, the desire of joining any military and defensive pact under whatever name it may be formed.

"Afghanistan has pursued the policy of neutrality and non-alignment with military blocs as a constant and stable line of action.

"She recognizes friendship between all nations, co-existence, non-interference in the internal affairs of all nations, and expansion of multilateral international economic co-operation as the only way for fostering peace.

"Afghanistan believes that real peace for developing nations and nations of this region should be sought by strengthening the economic, social and political structures of these nations."

(Kabul Radio)

[Prev. ref. 9038:AFG:A, 9039:AFG:B]

CEYLON

A. Foreign Exchange Entitlement Rates Raised: The Central Bank on June 17 raised its rate of foreign exchange entitlement certificates from Rs. 44 to Rs. 55 per 100.

This meant that one would have to pay more on every Rs. 100 worth of remittances for imports while receipts from abroad would receive proportionately increased values for exports and professional services.

The foreign exchange entitlement scheme, which came into effect in May, 1968, was based on the Pakistan pattern. The rate of Rs. 44 had fetched Rs. 334 million within eight months of its introduction.

This and other recent measures touched off speculation that rigid import restrictions were to be re-introduced.

However, on June 23, the Governor of the Bank, Mr. William Tennekoon, ended the speculation with his statement that the "open general licence system introduced in May, 1968 would continue. We are not going to put open the general licence system under quota again."

In May, 1968, several items from butter and sago to cutlery and industrial raw materials under quota system were permitted to be imported free subject to a payment of 44 per cent surcharge. With the raising of the surcharge to 55 per cent, it was feared that the Government would abandon the open general licence scheme and re-introduce quota system.

Books, newspapers and periodicals would continue to remain under open general licence system and the Government rejected the plea that they be exempted from 55 per cent surcharge.

The Government was now considering having a new rate of exchange for travel following representation that foreign travel would be seriously affected by the new foreign exchange entitlement certificate rate.

(The Indian Express, Madras)

[Prev. ref. 8359:CEY:A]

B. Indian Participation In Textile Venture: The foundation stone of a modern textile mill, a joint venture of Ceylon and the Indian industrial house of Birla, was laid at Horana on June 29 by the Prime Minister, Mr. Dudley Senanayake.

He said the setting up of the mill would be a stepping-stone for even closer collaboration between the two countries.

He re-iterated the need for India and Ceylon working together to put their tea industry on a stable footing. Together they produced 70 to 80 per cent of the world's tea. He had no doubt that joint action by the two countries would bring tangible benefits.

Giving details of the project at a news conference on June 28, Mr. B. K. Birla said that once the proposed mill started production, foreign exchange of Rs. 11 million would flow into Ceylon in the very first year. The project would have 70 per cent Ceylonese and 30 per cent Indian capital. Technical personnel would be supplied by India. The ultimate aim was to train the Ceylonese to man the industry.

The target of production was 80 million yards annually, which would be stepped up in due course. It was proposed to manufacture rayon and nylon varieties also.

Asked whether there were possibilities of similar joint ventures in other fields, he said the fields in which private capital could play a useful part seemed to be limited in Ceylon, since in most of the key industries like sugar, cement, rubber and tea, the State was playing a leading role.

Asked why the company had been named "India-Ceylon Industries Limited" in general terms, and whether it would interest itself in launching other industries in addition to textiles, he said it was proposed to launch some chemical industries like manufacture of caustic soda. Such projects depended on the availability of raw materials.

(The Hindu, Madras)

[Prev. ref. 8193:CEY:B]

CHINA

A. Talks With Soviet Union On River Navigation: Tass reported on June 21 that Sino-Soviet talks on border river navigation had opened in Khabarovsk on June 18 "in accordance with the agreement between the two sides."

Observers saw it as important that Soviet and Chinese negotiators were sitting across the table for the first time in several years, particularly since the clashes across the Ussuri River.

The Soviet news agency described the Khabarovsk conference as the 15th meeting of the Mixed Soviet-Chinese Commission on Navigation.

The talks centred on River Amur and its tributaries, in particular the Ussuri, as well as on Lake Khanka.

The two countries had exchanged Notes on holding such a meeting shortly after serious incidents broke out on the Ussuri River late last Winter, when the River was still frozen over. With the thaw, it became even more urgent to avoid new frontier friction and navigation disputes. Further incidents would have been almost inevitable since the two sides have never agreed on the exact border line, and whether it passes through the middle of the River, or on one bank or the other.

In the case of the Ussuri in particular, the old Treaties, which the Chinese call "the unequal treaties", stipulate that the border is traced along the Chinese bank of the River.

Confirmation by **Tass** that the Mixed Commission had convened came at a time when relations between the two countries had reached their nadir.

Accusations by the Soviet Party leader, Mr. Leonid Brezhnev, at the international communist conference in Moscow that Peking was preparing for war had been matched by fresh tirades of Chinese invective against the Czars.

However, according to Press reports, this was merely the surface froth. More sinister was the fact that, behind the scenes, the situation along the Sino-Soviet border had continued to deteriorate. Since the initial incidents over Damansky Island in the Ussuri River, border clashes had spread to other areas, including the Central Asian sector. A state of permanent emergency prevailed in the eastern border areas where arms were said to have been distributed to the civilian population.

According to reports, some of the recent border clashes were considerably more serious than published accounts had indicated. The Soviet Press had virtually imposed a black-out, save for publishing protest Notes to the Chinese Embassy in Moscow over incidents said to have occurred recently on the border between Chinese Sinkiang and Soviet Kazakhstan. The Chinese had been rather more voluble, alleging intrusion into their territory of "large numbers of tanks and armoured cars".

Warning On Threat From USA And USSR:

An article written by an Army officer in the June 14 edition of the Peking **People's Daily** warned China not "to ignore the danger of United States imperialism and Soviet revisionism launching a large-scale war of aggression. ...at an early date."

The article called on the nation to rally behind Marshal Lin Piao in preparing for the possibility of either a nuclear or conventional war.

"The rapacious nature of United States imperialism and Soviet revisionism will never change", it said. "When they think they can get away with it they will launch a war of aggression."

The author described Washington and Moscow as both colluding and contending "in a vain attempt to redivide the world". The Russians were accused of never ceasing to carry out "armed provocations and military threats against our country."

The article went on: "The Chinese people's victory was won with guns: the fruits of their victory must also be defended with guns." It ended by expressing China's determination to liberate Formosa.

While the article was a tough statement for Moscow's benefit four days before the Sino-Soviet discussions on the river disputes were due to begin, it was also an indirect plea for national unity within China. The need to sink political dissensions had been a recurrent theme in recent domestic propaganda.

The Prime Minister, Mr. Chou En-lai the same day recognized the provisional revolutionary government of South Viet-Nam established by the National Liberation Front. His telegram of congratulations called on the Front to fight on until "complete victory."

He warned that the United States would never agree to the unconditional withdrawal of its forces or the creation of a revolutionary coalition government "which truly accords with the wishes of the South Viet-Namese people".

(**The New York Times** and **The Times**, London)

[Prev. ref. 9004:CHI:A]

B. Campaign For Unity: Presumably in pursuance of the campaign for unity launched after the Ninth Party Congress in April, a joint editorial offering pardon for those defeated in the Cultural Revolution was published by the **People's Daily**, the **Liberation Army Daily** and the **Red Flag** on June 14.

The editorial emphasized the necessity of "retrieving" those party officials who had been lost to bourgeois ideology and morals.

It said that the working class should unite even "with those who committed errors characteristic of the capitalist-roaders in power but who are not absolutely unrepentant".

The reference to "capitalist-roaders in power" led observers to wonder whether the national leaders would not set the example for the rehabilitation of disgraced party officials by re-admitting such former colleagues as Mr. Teng Hsiao-ping, the former party secretary, and Mr. Peng Chen, the former Mayor of Peking.

The editorial said that 95 per cent of the population could be united around Mr. Mao Tse-tung's thought and it warned revolutionary organizations against overbearing attitudes. "Unite to win still greater victories...The masses of the people throughout the country (must be) united under the leadership of the proletariat....Unity must be realized in every factory, every village, every office and every school."

Publication of these directives, which seemed to have been taken from Mr. Mao's opening speech before the April Congress, started mass demonstrations in Peking. These were the first street demonstrations since April 24, the day when the Congress ended. But their relatively small scale—in comparison with those which took place last Winter and in the Spring—apparently confirmed the impression that a **detente** was prevailing on the political front.

The moderate trend, which became apparent last Winter, had seemingly gained strength during the party caucus. Day after day the call for unity was given top place in the **People's Daily**, whereas the anti-Soviet campaign and reports of border incidents were relegated to back pages.

Peking observers said the call for unity was a logical sequel of the Cultural Revolution and conformed with Mr. Mao's "one-divides-into-two" doctrine. (Unity is restored after dangerous trends have been eliminated and until such time as new dangerous trends emerge.)

The observers believed that the main motive for the unity campaign was the need to prepare for a "leap forward" which was to follow after the Cultural Revolution. Everything indicated that a realistic but ambitious development plan was under preparation. But before it was implemented, the country must re-integrate large numbers of former officials of party and industry.

Replying to criticisms, the editorial said the new unity was not unprincipled but solidly based on Mr. Mao's thought. It said: "Naturally there is no question of uniting with landlords or other bad elements, just as on the international field there is no question of uniting with imperialists, revisionists and all reactionaries who oppose communism and the people".

(**The Times**, London)

[Prev. ref. 8967:CHI:A]

HONG KONG

A. Mr. D. Healey's Visit: The British Defence Secretary, Mr. Denis Healey, paid a visit to Hong Kong from June 24 to 26 when he held talks with local officials on security arrangements for the Colony.

He told a news conference on June 26 he was now confident that Hong Kong would deal with any future threat to its security. This confidence was partly psychological but was based also on the impressive co-operation established between the local security forces and the British garrison and the very thorough contingency planning after the communist riots two years ago.

He added that a major object of his visit was to discuss the implications of Britain's military withdrawal from Singapore and Malaysia in 1971 on the defence of Hong Kong.

He denied accusations made by the Conservatives in the British Parliament that he had changed his policy on the British withdrawal from east of Suez. All the Commonwealth defence partners in South-East Asia accepted that the decision on withdrawal was final. After 1971, re-inforcements for Hong Kong will have to be flown out from Britain in an emergency instead of from Singapore and Malaysia as at present.

To make up for this time lag, he said, the Colony's garrison would be increased by a battalion together with some Royal Navy minesweepers.

He added that discussions were still in progress for new arrangements for air defence. He denied suggestions that increase in the Colony's garrison might be interpreted as provocative by Peking, adding that China had an interest in the peace and stability of Hong Kong.

He described Sino-British relations as having improved very slightly over the last 18 months and said he believed that the cause of the violence in Hong Kong in 1967 was communist factionalism in the Colony which did not have the backing of China.

On the case of Mr. Anthony Grey, the **Reuter** correspondent detained in Peking, he said the British Government was confident that he would be freed by the end of the year when the last of the 11 communist "newsworkers" would be released from prison in Hong Kong.

Mr. Grey's chances of being released this year had improved when the Hong Kong Government announced that sentences on three communist prisoners had been cut to enable them to come out of gaol by December.

British Military Presence In S-E Asia:

Earlier, on June 23, while in Bangkok on his way to Hong Kong, he told a news conference that Britain would maintain four Royal Navy ships in training in the South-East Asian region for four months every year and would hold regular exercises for the Royal Air Force.

He indicated that a British military presence would be very much in evidence in the region after 1971, although on a very much reduced scale.

He said that Britain would also maintain her military planning staff at the South-East Asia Treaty Organization (S-EATO) headquarters in Bangkok and contribute forces for S-EATO exercises. Britain would send part of her forces from Europe to the S-EATO area to take part in operations if and when necessary.

(**The Times**, London)

[Prev. ref. 8448:MAL:A]

INDIA

SUMMARY: President's Rule In Bihar; Telengana Issue; Road In "Occupied" Kashmir; Mrs. I. Gandhi On Possible Chinese Attack; New Central Loan; Gold Control Ordinance; Three State Budgets; Two IAF Accidents.

A. Congress Ministry In Bihar Falls—New SVD Ministry Also Falls—President's Rule Imposed: The Chief Minister of Bihar, Mr. Harihar Singh, submitted the resignation of his Ministry to the Governor on June 20 after the budget demand for animal husbandry moved by one of his Cabinet colleagues was rejected by the Legislative Assembly.

The four-month-old Ministry fell when the six-member Soshit Dal group withdrew its support to the Ministry. Several members of the Jharkhand and Hul Jharkhand parties also voted with the Opposition.

The voting on the budget demand was 143 in favour and 164 against. After the voting, the Speaker, Mr. Ram Narain Mandal, adjourned the House **sine die.**

The Opposition leader, Mr. Bhola Paswan, talking to newsmen later, expressed his willingness to form an alternative non-Congress government if called upon to do so by the Governor.

The defection by the Soshit Dal members came as a shock to the Congress, which was already in the throes of a crisis following the demand by a section of Congress MLAs for a change in leadership.

In the election of the Speaker held shortly after the mid-term poll, the Opposition candidate, Mr. Dhanik Lal Mandal (SSP), had lost to the Congress nominee, Mr. R. N. Mandal, by six votes. The Opposition had made headway since then, securing five votes more than was required for an absolute majority in the 318-member House.

The SSP, with 52 members, is the largest Opposition party in the House.

Six Congress members were absent. One Congress member, Mr. Ram Baswan Ram, who was suffering from heart ailment, was specially brought to the House to enable him to vote.

The Ministry comprised 25 Ministers and eight Ministers of State, out of whom 12 Ministers and eight Ministers of State did not have any portfolio.

The Harihar Singh Ministry, which was in power for 115 days, was the fifth Ministry formed after the General Election in 1967.

The Soshit Dal Ministry, formed in January 1968, was overthrown in March. The second United Front Ministry headed by Mr. Bhola Paswan remained in office for three months until President's Rule was imposed.

The Congress-led coalition, consisting of the Congress, the Janta Party, the Jharkhand Party, the Soshit Dal and the Swatantra Party then came to power. Subsequently a section of the Hul Jharkhand Party defected and extended its support to the Congress. One of its nominees, Mr. S. Hembrom, was appointed Cabinet Minister.

New Ministry:

Next day (June 21), the State Governor, Mr. Nityanand Kanungo, formally invited Mr. Bhola Paswan, Leader of the Opposition in the Bihar Assembly, to form a new Government.

On June 22, Mr. Bhola Paswan was sworn-in as Chief Minister.

Along with him, Mr. Sushil Kumar Bage (Jharkhand) and Mr. Shanker Dayal Singh (BKD) were also sworn-in as Cabinet Ministers.

On June 24, eight more Ministers and six Ministers of State were sworn-in, bringing the total strength of the new Ministry to 17.

Those sworn-in included four nominees of the Loktantrik Congress, four of the Soshit Dal, one of BKD and three Independents.

The new Cabinet Ministers are: Mr. Deep Narain Singh, Mr. Krishna Kant Singh, Mr. Laliteswar Prasad Sahai and Mr. Abdul Gafoor (all Loktantrik Congress); Mr. Mahavir Prasad and Mr. Motilal Kanan (both Soshit Dal); Mr. Kaderan Singh (BKD); and Mr. Sheoshankar Singh (Ind.)

The Ministers of State are: Mr. Brindawan Wansi and Mr. Hari Lal Verma (both Soshit Dal); Mr. Hari Charan Roy (Jharkhand); Mr. Ramaballagh Sinh and Mr. Ghanshyam Mahto and Mr. Satya Narain Singh (Ind.)

The Legislature wing of the All-India Jharkhand Party, a constituent of the Congress-led coalition, expelled Mr. S. K. Bage and Mr. Haricharan Roy from the party for six years on June 24 for supporting the non-Congress opposition without the party's permission. Both of them voted against the Government in the Assembly on June 20, when the Congress-led coalition collapsed.

Meanwhile, the Soshit Dal which ruled Bihar for 47 days after the fall of the first United Front Government was split in two on June 24.

One group is led by Mr. Tarini Prasad Mandal, General Secretary of the party, and Mr. Jagden Prasad who was removed from the leadership of the party's Legislature wing on June 22. The other group is led by Mr. Ramnagina Singh and Mr. Satish Prasad Singh (former Ministers).

Ministers' Portfolios:

On June 27, Mr. Bhola Paswan announced in the Assembly the portfolios of his Ministers.

The Chief Minister, Mr. Paswan, kept to himself Finance, Education, Forest, PWD, Mines, Law, River Valley Projects, Political (Appointments and General) and all other departments not allotted to any of the Ministers.

The following are the portfolios of Cabinet Ministers:

Mr. Deep Narain Singh—Irrigation and Power;

Mr. Krishna Kant Singh—Community Development and Gram Panchayat;

Mr. L. P. Sahi—Industries and Technical Education;

Mr. Abdul Ghafoor—Labour and Employment;

Mr. Kaderan Singh—Information and Tourism;

Mr. Shankar Dayal Singh—Health and Exercise;

Mr. Moti Lal Kanan—Revenue;

Mr. Mahavir Prasad—Agriculture and Animal Husbandry; and

Mr. Shiv Shankar Singh—Cooperation and Sugarcane.

The following are the portfolios of the Ministers of State:

Mr. Brindawan Wansi—Agriculture and Animal Husbandry;

Mr. Ram Vallabh Singh—Cooperation and Sugarcane;

Mr. Satya Narain Singh—Irrigation and Power;

Mr. Hari Charan Roy—Tribal Welfare;

Mr. Hari Lal Prasad—Revenue; and

Mr. Ghanshyam Mahtoo—Public Health and Engineering.

On June 30, two of the three Congress MLAs who defected from the party recently, were sworn-in as Cabinet Ministers, raising the strength of the Government to 19.

The Ministers were Mr. Jamal Uddin and Mr. Zafar Ali. The third defector, Mr. Madan Besra, was not given any ministerial berth.

Mr. B. Paswan's Cabinet Resigns:

But, on July 1, only nine days after taking over, the Samyukta Vidhayak Dal Ministry headed by Mr. Bhola Paswan resigned following the withdrawal of support by the 34-member Jana Sangh group in the Legislative Assembly.

The Governor, Mr. Nityanand Kanungo, accepted the resignation and requested Mr. Paswan to continue in office until alternative arrangements were made.

The immediate provocation for the Jana Sangh's action was the inclusion of two defectors from the Congress—Mr. Jamaluddin Ahmed and Mr. Mohammed Zafar in the Cabinet.

Mr. Paswan announced in the Assembly the decision of his Ministry to resign. The Speaker immediately adjourned the House.

Mr. Paswan read out a letter he had received from the Secretary to the Governor saying that the Jana Sangh group in the Assembly had withdrawn its support to the Government. As such, he could not, in the circumstances, continue as Chief Minister.

Before the Chief Minister's announcement, the Speaker had admitted a motion of no-confidence against the SVD Ministry. He told the House that he would fix, in consultation with the Chief Minister, a date for discussion on the motion. The Chief Minister, however, resigned before a date could be fixed.

After question hour, Mr. Verma handed over a letter to the Chief Minister conveying the party's decision to withdraw its support. By that time, Mr. Paswan had already received the letter from the Governor's Secretary.

Mr. Verma in his letter charged Mr. Paswan with "lust for power." He took strong objection to his action in including two Congress defectors in the Cabinet. He alleged that Mr. Paswan had offered similar inducements to members of the Hul Jharkhand Party led by Mr. Justin Richard, MLC.

In an interview, Mr. Paswan denied the charge of having given any inducement to defectors.

He, however, asserted that those legislators who had voluntarily decided to support the SVD Ministry to make it more stable "did deserve adequate representation on the Ministry."

President's Rule Imposed:

However, on July 4, the acting President, Mr. V. V. Giri, issued a proclamation under Article 356 of the Constitution suspending the Bihar Legislative Assembly and introducing President's Rule in the State.

The proclamation said that the acting President was satisfied on receiving a report from the State Governor, Mr. N. N. Kanungo, that a situation had arisen in which the Government of Bihar could not be carried on in accordance with the provisions of the Constitution.

He was, therefore, assuming to himself all functions of the State Government and powers vested in or exercisable by the Governor. The proclamation also declared that the powers of the Assembly shall be exercisable by or under the authority of Parliament.

It accepted the Governor's recommendation which had also been approved by the Internal Affairs Committee that the Assembly, instead of being dissolved, should be kept in suspended animation for two months. The position should be reviewed at the end of this period and the Assembly should be re-activated if the chances of forming a stable Government improved.

The Governor in his report also did not appear to be optimistic about the restoration of stable conditions in the State in the foreseeable future. His report, which was fairly comprehensive, attributed the increasing political instability to unseemly scramble for power among the State politicians.

He referred to the acute dissensions within the Congress Party which had made it impossible for the Congress-led coalition Ministry to function.

Background:

Bihar has been in the grip of political instability since the 1967 General Elections. Six Ministries have toppled in quick succession. The State has been placed under President's Rule for the second time since 1967 and within five months of the mid-term elections. The mid-term poll which had aroused high expectations failed to give absolute majority to any single party.

The Congress Party had to revise its earlier stand and permit the leader of the Congress Legislature Party, Mr. Harihar Singh, to form a coalition Ministry with the help of local parties.

The Ministry faced heavy odds from the beginning, largely due to internal bickering in the Congress, and could not stay in office for more than 4-1/2 months. Mr. Bhola Paswan's Ministry, which assumed office shortly thereafter, could not remain in power for more than nine days.

Governor's Broadcast:

The Governor of Bihar, Mr. N. Kanungo, in a broadcast on July 5, expressed the hope that members of the suspended Legislative Assembly would soon re-align themselves to provide a stable Government to the people in the larger interests of the State.

He recalled the circumstances under which President's Rule was imposed in the State and said that he would do his best to "preserve, protect and defend the Constitution and the rule of law."

Since the General Election of 1967, he said, six Ministries had come and gone. The State had been under President's Rule from June 30, 1968 to February 25, 1969. Barring the first Ministry inducted into office on March 5, 1967, which functioned for nearly nine months, all the other Ministries held office for periods ranging from four days to 114 days. The phenomena occurred because of shifting loyalties of some Assembly members. Mid-term elections were held as recently as January, 1969. Evidently, the election had not helped in the formation of a stable Government. In spite of such discouraging conditions, he believed in the wisdom of the voters.

(**Indian Nation,** Patna and **The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8898:INI:I, 8957:INI:J, 9010:INI:L]

B. **Telengana Agitation—Ministers' Resignations—Party's Vote Of Confidence:** In spite of the Essential Services Ordinance issued by the Andhra Pradesh Government on June 1, the Non-Gazetted Officers (NGOs) of the State Government announced a strike from June 10 in support of their demand for a separate Telengana. The State Government, however, reported about 90 per cent attendance of NGOs in offices.

The Telengana agitators launched on June 23 what they described as "mass satyagraha" to demand a separate Telengana state. It continued for several days.

In the early hours of June 25, Dr. M. Chenna Reddy, Mr. Konda Lakshman Bapuji and four others were arrested and sent to Rajahmundry Jail. More arrests were made in Hyderabad, Secunderabad, Warangal and a few other towns on subsequent days.

Chief Minister & Other Telengana Ministers Resign:

On the morning of June 27, the Industries Minister from Telengana, Mr. B. Gurumurthy, resigned and there were reports that other Telengana Ministers would follow suit.

Thereupon, the Chief Minister, Mr. K. Brahmananda Reddy, sent his resignation to the Congress Parliamentary Board. In a statement, he said: "I spoke to the Congress President and the Deputy Prime Minister between 9 a.m. and 11 a.m. on June 27. I have placed my resignation in the hands of the Congress Parliamentary Board for their consideration and acceptance to enable the Board to take an unfettered decision in the interests of the country and the State."

He added: "I am calling a meeting of the Congress Legislature Party on July 6."

Thus, Mr. Reddy's announcement had created a first-class political crisis. The crisis was precipitated by a firm stand taken by some of the Telengana Ministers in the State Cabinet.

Talking to newsmen later in the evening, Mr. Reddy said that he had made a similar offer openly on June 7 "when I met newsmen at Hyderabad. In fact, I have suggested this on June 5 to the Central Home Minister, Mr. Y. B. Chavan. But I stayed my hands because my leaders were not clear in their minds. I hope that the agitation would now stop completely to create the necessary atmosphere for proper and cool thinking."

The remaining seven Telengana Ministers in the Andhra Pradesh Cabinet submitted their joint letter of resignation to the Chief Minister, Mr. Brahmananda Reddy, on June 28.

This development came as an anti-climax to the Chief Minister's own resignation "placed in the hands of the Congress Parliamentary Board" on June 27.

Of the nine Telengana Ministers in the Cabinet, Mr. Konda Lakshman Bapuji resigned in March, 1969 owing to differences of opinion with Mr. Brahmananda Reddy on the Telengana issue. Mr. B. Gurumurthy, however, gave no reason for his resignation.

The seven Ministers who tendered their resignations on June 28 were Mr. J. V. Narasinga Rao (Communications), Mr. V. B. Raju (Revenue), Mr. P. V. Narasimha Rao (Education), Mr. Siddha Reddy (Labour), Mr. Mohammed Ibrahim Ali Ansari (Health) and Mr. Arige Ramaswamy (Social Welfare).

In a statement, the seven resigning Ministers explained their action. Their joint statement said: "For some time past, Mr. Brahmananda Reddy had expressed his willingness to resign as Chief Minister in order to create a congenial atmosphere for finding a solution to the present situation. He has, however, been holding up his decision in the interests of the State and on the advice of his colleagues and elders.

"After bringing about a marked improvement in the law and order situation, he has, after due deliberation, sent in his resignation to the Congress Parliamentary Board.

"This step, we expect, will pave the way for other meaningful and fruitful measures in solving the problems of the Telengana region while preserving the State's integrity.

"We have tendered our resignations as Ministers and pledge ourselves to the task of working among the people in order to create a psychological climate conducive to achieving the full integration of the State.

"The people of the Telengana region have already suffered a great deal in the past few months. The economy and the tenor of people's life in the region have been considerably disrupted due to frequent violence.

"A backward region like Telengana *can ill-afford such severe setbacks and, therefore, it is high time that all violent activity is put an end to and the problems that we are facing* are tackled in a cool and dispassionate atmosphere.

"We have no doubt that the phase through which Telengana is passing is only transient and that all outstanding problems of the region can and will be solved in accordance with the best interests of the people of the region.

"Meanwhile, we wish to emphasize the need to maintain law and order effectively in the State and appeal to the people to help in the healing process that is so essential for this end in view.

"We also request the Congress High Command to take expeditious steps to sort out the problems pertaining to the Telengana region."

The Governor, Mr. Khandubhai Desai, told the eight Telengana Ministers that their resignations would be accepted when alternative arrangements were made. In the meanwhile, he had requested them to continue in office.

Praja Samithi Sticks To President's Rule:

The Telengana Praja Samithi leaders, however, categorically stated in New Delhi on June 25 that they would not give up the demand for President's Rule.

The acting Chairman of the Samithi, Mr. A. Madan Mohan, told a news conference that nothing short of a separate Telengana could solve the present crisis of confidence.

The Samithi's agitation, he said, did not hinge on Mr. Brahmananda Reddy's resignation. It was neither for nor against Mr. Reddy. It would suspend its agitation if President's Rule was imposed followed by an opinion poll on a separate Telengana.

Congress Parliamentary Board Rejects Telengana Demand:

On July 3, the Congress Parliamentary Board firmly rejected the demand for a separate Telengana and made it clear that there was no question of splitting the present linguistic State.

The Board did not take any decision on the resignation of the Chief Minister, Mr. K. Brahmananda Reddy.

It also decided that the resignation should be placed before the Congress Legislature Party, meeting in Hyderabad on July 6.

It authorised the Congress President, Mr. S. Nijalingappa and Mr. K. Kamaraj to go to Hyderabad, ascertain the views of the party and give whatever advice they considered necessary to resolve the present crisis.

Congress Legislature Party's Vote Of Confidence:

The Andhra Pradesh Congress Legislature Party re-affirmed its full confidence in the Chief Minister, Mr. Brahmananda Reddy, in Hyderabad on July 6 and requested him not to press his resignation.

A resolution to this effect moved by Mr. P. V. Narasimha Rao, Minister for Education (who hails from Telengana) was passed unanimously.

The meeting, convened to consider Mr. Brahmananda Reddy's offer to resign in the context of the Telengana agitation, was attended by 165 Assembly and 51 Council members. The absentees included 25 MLAs and eight MLCs from Telengana and four MLAs and seven MLCs from the Andhra region.

The Congress President, Mr. S. Nijalingappa, and Mr. K. Kamaraj attended the meeting as representatives of the Congress Parliamentary Board.

Mr. Nijalingappa said he approved "the spirit of the resolution" and, as Congress President, it would be his endeavour to ensure that it was implemented.

The resolution said: "The Andhra Pradesh Congress Legislature Party re-affirms its faith in the integrated State of Andhra Pradesh and welcomes the categorical declaration of the Central Parliamentary Board against further vivisection of linguistic States.

"The party views with concern the events of the past few months consequent on the agitation for a separate Telengana State and deprecates various acts of violence and vandalism committed in pursuance thereof.

"The party condemns the large-scale intimidation and coercion being brought to bear on the legislators subscribing to the ideal of the unity of Andhra Pradesh, and compliments the legislators on their steadfast adherence to their cherished goal.

"It expresses its deep sympathy for those who suffered during the agitation.

"The party has carefully considered the various developments leading to the voluntary offer of resignation by its leader and the Chief Minister, Mr. Brahmananda Reddy.

"The party, however, is of the view that Mr. Brahmananda Reddy's services should be available to the State as its Leader and Chief Minister in order to restore normalcy and eventually pave the way for a smooth change-over to leadership, preferably in favour of a person from the Telengana region.

"The party re-affirms its full confidence in Mr. Reddy and requests him not to press his resignation."

Thanking the members for the confidence they reposed in him, Mr. Brahmananda Reddy emphasized the need for preserving the unity of the State and said that he would ensure that at the appropriate time a person from Telengana was elected Leader of the Congress Legislature Party.

He briefly explained the background to the present political situation in the State and said that he had offered to resign as some people felt that such an offer would help restore peace and normalcy. The main purpose behind his offer to resign had not materialized.

Political circles in the State interpreted the resolution as a "blank cheque" to Mr. Brahmananda Reddy to handle the situation as he deemed fit.

(**The Hindu**, Madras, **The Statesman**, Calcutta and **The Times of India**, New Delhi)

[Prev. ref. 9039:INI:A]

C. Construction Of Road In "Occupied" Kashmir—Protest Notes To Pakistan And China: The Ministry of External Affairs on June 25 protested to the High Commission of Pakistan and the Chinese Embassy in New Delhi against the construction of yet another road by these two countries in Indian territory under the illegal occupation of Pakistan.

The road is from a place called Mor Khun in northern Kashmir to the Khunjer Ab Pass on the Kashmir-Sinkiang border.

The protest Note to Pakistan said: "The entire alignment of the road runs in Indian territory which is at present under the illegal occupation of Pakistan. Further, 12,000 Chinese personnel of the People's Liberation Army have been inducted into northern Kashmir to help build the road and are camped at Mor Khun, deep in Kashmir territory, and at Khunjer Ab. The road is being built in secrecy."

It said that the purpose of the new road was "military expansionism", and that it constituted a threat to the peace and tranquillity of the region.

In the Note delivered to the Chinese Embassy, the Ministry of External Affairs said: "The construction of this road demonstrates China's collusion with Pakistan to undermine the sovereignty of India and provides proof of China's policy of aggravating relations between India and Pakistan.

"It is obvious that the Chinese authorities intend to develop a strategic net-work of roads with the connivance of Pakistan to subserve China's ambitions in the region."

The text of the protest Note to Pakistan is as follows:

"The Government of Pakistan have begun constructing a road from Mor Khun in northern Kashmir, to the Khunjer Ab Pass on the Kashmir-Sinkiang border. The entire alignment of the road runs in Indian territory which is presently under the illegal and forcible occupation of Pakistan. Further, 12,000 Chinese personnel of the People's Liberation Army have been inducted into northern Kashmir to help build the road and are camped at Mor Khun, deep in Kashmir territory, and at Khunjer Ab. The road is being built in secrecy.

"Pakistan cannot be unaware that this road will help to extend the Chinese road net-work in the Tibet-Sinkiang areas into northern Kashmir. Indeed, this new road will give easier access to Chinese troops from areas which they have illegally occupied in north-east Kashmir and from Tibet to the Gilgit area in Pakistan-occupied Kashmir which lies immediately to the north of the cease-fire line dividing the armed forces of India and Pakistan in Kashmir. Considering that this is being done with the approval of the Government of Pakistan, it is clear that this road forms part of a calculated and co-ordinated plan. Whereas Pakistan and China sought to justify the illegal construction of the road from Sinkiang into Gilgit through the Mintaka Pass in 1967 for reasons of trade and commerce, the new road cannot be justified except on grounds of military expansionism. The road is a threat to the peace and tranquillity in the region.

"No part of Jammu and Kashmir is Pakistani territory and indeed Pakistan does not claim it as such. The whole of Jammu and Kashmir is a part of India. Neither Pakistan nor China has any **locus standi** in Kashmir except that of an aggressor and, therefore, whatever action they take singly or jointly to consolidate their hold on the territory of this State of the Indian Union is wholly illegal.

"The Government of India lodge an emphatic protest against this violation of Indian sovereignty in Kashmir and deplore that Pakistan should be seeking Chinese help in creating further tension in this area and in aggravating Indo-Pakistan relations which both countries have undertaken under the Tashkent Declaration to improve by peaceful means. The Government of India would like to make it clear that in pursuance of their inherent right of self-defence they reserve the right to take all such measures as may be necessary against any violation of the sovereignty and territorial integrity in Jammu and Kashmir."

The following is the text of the Note to the Chinese Embassy:

"The Chinese authorities are secretly assisting Pakistan in building a road from Mor Khun in northern Kashmir to Khunjer Ab Pass on the Kashmir-Sinkiang border. Some 12,000 Chinese military personnel have been inducted in this area for the task. As is well known, Pakistan continues to illegally occupy this area of the Indian State of Jammu and Kashmir. The construction of this road demonstrates China's collusion with Pakistan to undermine the sovereignty of India and provides proof of China's policy of aggravating relations between India and Pakistan. The Government of India strongly protest against these activities of the People's Republic of China which abet the illegal occupation of Indian territory by Pakistan and create tension between India and Pakistan.

"This new road from Indian territory illegally under Pakistan's occupation is clearly designed to provide a link with the Chinese net-work of roads in Sinkiang and Tibet. It is obvious that Chinese authorities intend to develop a strategic net-work of roads with the connivance of Pakistan to subserve China's ambitions in the region.

"The Chinese Government have throughout pursued a diabolical policy in regard to Kashmir. They would remember that in the Joint Statement issued by Premier Chou En-lai and Prime Minister Cyrankiewicz of Poland on April 11, 1957 in Peking, it was stated that the Kashmir question 'should be settled by the countries concerned through peaceful negotiations and should not be allowed to be made use by external forces to create new tensions.' China's pronouncements and actions in recent years completely repudiate this statement to which the Chinese Premier had subscribed. It is quite evident from such activities that China, an 'external force' in Kashmir, is wilfully complicating Indo-Pakistani relations and adding new tensions. Kashmir is legally an integral part of India. Pakistan and China have, therefore, no **locus standi** to undertake construction of roads, etc., in territory lawfully belonging to India.

"By undertaking such activities that endanger the peace, good neighbourly relations and security of the countries in the region, the Government of the People's Republic of China make it abundantly clear that they are in no way interested in strengthening peace and reducing tension. Chinese assistance to Pakistan to construct highways in portions of Indian territory under the illegal occupation of Pakistan is a fresh step taken by the People's Republic of China to further aggravate Sino-Indian relations. The consequences of such Chinese actions which can only serve to bring about a further worsening in India-China relations are to be entirely borne by the Government of the People's Republic of China."

(**The Times of India,** New Delhi)
[Prev. ref. 8351:INI:G, 8707:INI:I]

D. Mrs. Indira Gandhi On Possible Chinese Attack: The Prime Minister, Mrs. Indira Gandhi, said at a news conference in Djakarta on July 1 that India had no intention to start producing or possessing nuclear weapons.

She added: "India uses nuclear energy only for peaceful purposes."

India, she said, did not take part in the Nuclear Non-Proliferation Treaty because it was "an unequal Treaty."

In reply to a question on a possible attack by China on India, she said: "I cannot see any real danger from China at present and I believe it will pose no real threat to India in spite of the border issue."

She thought that if war broke out between India and China, it would be a conventional one.

India, she said, would maintain her non-alignment policy because she believed the country would become a target for attack if it joined any military pact.

Asked of the possible presence of Australian troops in Malaysia after the British pull-out in 1971, she said it was up to Malaysia to make the decision. But she stressed that presence of foreign troops in any country would create a false sense of security.

*(**The Hindustan Times,** New Delhi)*
[Prev. ref. 8981:INI:E]

E. Loan From World Bank And IDA: It was disclosed in New Delhi on June 19 that the Government had negotiated a $55 million loan from the World Bank and the *International Development Association (IDA)* for development of *tele-communications* in the country.

Of this, $35.4 million would be utilized for import of raw materials by the three public sector undertakings—Indian Telephone Industries, Hindustan Teleprinters and Hindustan Cables' and the P and T Departmental Workshops—for manufacture of tele-communications equipment for supply to the P and T Department.

The balance of $19.6 million would be utilized for the direct import of certain essential equipment not yet manufactured or not manufactured in adequate quantity in the country.

The new loan, together with the expected credit of $30 million to $40 million from Canada, would meet the essential requirements of foreign exchange of the P and T Department and its major suppliers of tele-communications equipment for the first three years of the Fourth Plan.

(**The Times of India,** New Delhi)
[Prev. ref. 8792:INI:F, 9027:INI:A]

F. British Loan: Britain gave India on July 2 a debt relief of £7.5 million (Rs. 13.5 crores) against the Aid-India Consortium's total debt relief of $100 million (Rs. 75 crores) for 1969-70.

An Agreement providing for the debt relief was signed in New Delhi by Sir Morrice James, UK High Commissioner, and Dr. I. G. Patel, Special Secretary, Finance Ministry. This was the first of the Aid Agreements under the aegis of the Consortium for 1969-70 and was against the total British aid pledge of £38 million (Rs. 68.4 crores) for the current year.

The debt relief by Britain, like the one for the same amount last year, was in the form of an interest-free loan repayable over 25 years with a seven-year grace period. Unlike other aid loans, debt relief was not tied to purchase of goods from any particular country but was to help supplement India's free foreign exchange resources.

(**The Hindustan Times,** New Delhi)
[Prev. ref. 9027:INI:A]

G. Cultural And Technical Agreement With USSR: India and the Soviet Union signed in Moscow on June 27 a Cultural and Technical Agreement for the coming year providing for 107 items of exchange, *including Soviet aid in the development of Indian television.*

Among the exchanges provided for were 50 scholarships for Indian students to study advance science topics in the Soviet Union. India in turn offered 20 scholarships to Soviet students.

Also spelled out in the Agreement was a joint celebration in both countries of the 100th anniversary of the birth of Mahatma Gandhi and Vladimir Lenin, both born in the same year.

(**Tass** and **The Statesman,** New Delhi)
[Prev. ref. 8398:INI:E]

H. Air Agreement With UAR Comes Into Force: The Air Services Agreement between India and the United Arab Republic, which was signed in Cairo in February, 1968, came into force with the exchange of Instruments of Ratification in New Delhi on July 4 between the Secretary to the Ministry of Tourism and Civil Aviation, Mr. Asoka Mitra, and the UAR Ambassador, Mr. M. Amin Hilmy.

India at present operates three services through Cairo every week. United Arab Airlines operate one service to Bombay every week and two services a week through Bombay.

(**The Times of India,** New Delhi)
[Prev. ref. 8240:INI:E]

I. Diplomatic Appointments: It was announced on July 1 that Mr. Uma Shankar Bajpai, Deputy High Commissioner for India in Karachi, had been appointed as Ambassador of India to Turkey, in succession to Mr. Ramchundur Goburdhan.

It was announced on June 30 that Mr. Rikhi Jaipal, Joint Secretary in the External Affairs Ministry, had been appointed Ambassador to Yugoslavia in succession to Mr. Jai Kumar Atal.

It was officially announced in New Delhi on June 24 that Mr. Jai Kumar Atal, Ambassador in Belgrade, had been appointed Ambassador to Italy in succession to Mr. Inder Jeet Bahadur Singh.

(**The Statesman** and **The Hindustan Times,** New Delhi)
[Prev. ref. 7065:INI:L, 7564:INI:S, 7835:INI:J]

J. Deputy Chief Of Army Staff: Lt.-Gen. R. S. Noronha took over in New Delhi on July 4 as Deputy Chief of the Army Staff, succeeding Lt.-Gen. G. G. Bewoor, who had been appointed GOC-in-C, Southern Command.

A distinguished soldier, Gen. Noronha was awarded the Military Cross twice during World War II, and was awarded the Param Vishisht Seva Medal for the distinguished role he played in leading the Indian brigade with the United Nations forces which captured Katanga.

(**The Times of India,** New Delhi)
[Prev. ref. 8932:INI:B]

K. New Central Loan: The Government announced on June 16 the flotation of a 4.25 per cent loan issued at Rs. 100 per cent for an aggregate amount of Rs. 250 crores (nominal) and repayable at par on July 1, 1976.

Subscriptions were received from July 1, 1969. The loan was over-subscribed on the first day itself.

The securities of the 3.5 per cent bonds, 1969, were accepted for conversion at par. Interest at the rate of 3.5 per cent per annum on the security of 3.5 per cent bonds, 1969, tendered for conversion were paid up to and inclusive of June 30, 1969 at the time of the new securities.

The new loan bears interest from July 1, 1969. Interest on the loan will be paid half-yearly on January 1 and July 1 and will be liable to tax under the Income-tax Act, 1961.

This was the second instalment of the Central Government's current year's borrowing programme. The first instalment was issued in May in the form of a long-dated 5.5 per cent 1999 loan at par for Rs. 250 crores. It had evoked an encouraging response.

The maturing 3.5 per cent 1969 loan had an estimated outstanding amount of about Rs. 191 crores, a major portion of which was being held by the Reserve Bank of India.

(**The Times of India**, Bombay)

[Prev. ref. 8957:INI:H]

L. Gold Control Ordinance Promulgated: A Gold (Control) Ordinance, which came into immediate effect, was promulgated by the President in New Delhi on July 3 to "repair the void caused" by the invalidation of some of the provisions of the Gold (Control) Act by the Supreme Court in its judgment on April 30 (see page 8955).

While revising some of the invalidated sections of the law and omitting one of them from the statute, certain relaxations were introduced in respect of some of the provisions which had been acting as irritants to licensed dealers in gold, goldsmiths and the general public.

Some of the salient features of the Ordinance were that the rigid restrictions on the purchase of gold in ornament form had been relaxed, while the ban on sale and purchase of primary gold continued.

Till now, a licensed dealer or a private individual who bought ornaments was liable to be visited by the penal provisions of the law whether or not he was aware of the fact that the ornaments bought formed part of undeclared jewellery.

Now, the responsibility or liability of the purchaser was attracted only if he knew that what he was buying was part of a lot which was required to be declared. It was assumed that a person buying more than 2,000 gms or a family buying more than 4,000 gms of gold ornaments would exercise due caution to ascertain that they were not liable to be declared.

Under the Ordinance, Sections 27(2) (D), 27(6), 32, 46, 88 and 100, which had been declared invalid by the Supreme Court, were revised in the light of the Court's observations. Section 5(2) (B), which had also been invalidated by the Court, was omitted from the Act.

The other provisions of the Gold (Control) Act which were amended by the Ordinance were Section 8(2) relating to acquisition and transfer of ornaments, 17(2) (D) and 17(6) relating to refiners, 26 relating to disposal of gold recovered during silver refining, 31 relating to acquisition of gold ornaments by licensed dealers, 39(2) (C) and 39(4) relating to certified goldsmiths, 50 relating to cancellation of licences and certificates and Section 114 relating to the power of the Central Government to make rules.

It was stated that in the process of effecting changes in the provisions of the Act, the Government had not tightened up any of the restrictive provisions. On the contrary, certain relaxations had been introduced in respect of Sections 8(2) relating to acquisition and transfer of gold ornaments generally and in 31 relating to acquisition of gold ornaments by licensed dealers.

By revising the provisions in Section 32, the quantitative limit of primary gold which licensed dealers could keep with them in a form other than gold bars would not apply to cut pieces which remained with the dealers after issuing gold to goldsmiths.

Under the revised Section 46, the quantitative limit of gold remaining in the hands of an artisan would not be more than in the case of the licensed dealer under whom he was working.

(**The Times of India**, New Delhi)

[Prev. ref. 8955:INI:B]

M. Formation Of CPI (M-L) Announced By "Peking Radio": The establishment the Communist Party (Marxist-Leninist) was announced by **Peking Radio** in a newscast on July 2—2½ months after the party was formally inaugurated in Calcutta.

The **Radio** also named Mr. Kanu Sanyal as its leader.

The commentary by **Peking Radio** emphasized that the CPI (M-L) was based on the thought of Mr. Mao Tse-tung. It also quoted extensively from Mr. Sanyal's speech at Calcutta on April 22 showering lavish praises on the "great leader Mao" and the "great Communist Party of China."

The Peking announcement, according to political observers in New Delhi, implied formal recognition of the CPI (M-L) as the only Communist Party in India. All propaganda media controlled by the Chinese Communists had characterized the CPI as the "Dange renegade **clique**" and the CPI (M) as "neo-revisionists."

(**Peking Radio** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8970:INI:S]

N. CPI(M) Resolution On Kerala Cabinet Crisis: The CPI(M) submitted to the United Front Co-ordination Committee of the Kerala coalition Cabinet on June 16 seven resolutions, chiefly aimed to censure the CPI or to send it out of the coalition.

One of the important resolutions wanted the Co-ordination Committee to censure strongly the CPI for "making the conspiracy issue a live one again" in violation of the earlier decision of the Co-ordination Committee.

The second resolution alleged that Mr. T. V. Thomas was protecting Mr. M. Ramakrishnan, General Manager of the Travancore Cochin Chemicals (a State sector enterprise) while an inquiry was in progress against him. This official should be removed from his present post to facilitate a proper inquiry.

At the same time, the CPI(M) sought the ratification of the Co-ordination Committee of the steps taken by the Chief Minister, Mr. E. M. S. Namboodiripad, regarding the corruption charges made against three of his Ministers.

[Mr. Namboodiripad had ordered a judicial inquiry into the charges against Mr. P. K. Kunju of the Indian Socialist Party, and had exonerated his own party Minister, Mr. M. K. Krishnan, Forest Minister and the Health Minister, Mr. B. Wellingdon (KTP).]

The CPI(M) followed the ratification demand with another demand on the Committee to agree that no more inquiry into corruption or other charges against Ministers would be pursued until the Public Men's Enquiries Bill was passed by the State Legislature.

(**The Hindu**, Madras)

[Prev. ref. 9007:INI:F]

O. Madhya Pradesh Budget For 1969-70: The first annual Budget of Madhya Pradesh after the Congress Party recaptured power recently, presented by the Finance Minister, Mr. K. L. Dubey to the Vidhan Sabha in Bhopal on June 25, revealed a net revenue deficit of Rs. 22.71 crores and an overall deficit of Rs. 29.94 crores.

The Budget proposed to leave the entire non-Plan revenue deficit of of Rs. 24.86 crores to be met by additional resources expected from the award of the Fifth Finance Commission.

It proposed measures designed to net Rs. 1.10 crores, besides a State lottery scheme to earn about Rs. 40,00,000. The measures included a rise in certain categories of water rates. It also proposed some relief in irrigation rates. The gap of Rs. 2.63 crores was proposed to be left uncovered.

Despite a grant of Rs. 6.66 crores in the **interim** report of the Fifth Finance Commission, Mr. Dubey attributed the large non-Plan revenue deficit mainly to:

(1) The enhanced dearness allowance granted partly with effect from December 1, and partly from March 1, over and above the expenditure of Rs. 14 crores on dearness allowance in 1968-69.

(2) Committed expenditure in respect of completed Plan schemes relating to the period from 1966-67 to 1968-69 which had been transferred to non-Plan account from April (Rs. 11.75 crores).

(3) Increased contribution made to the famine relief fund over the contribution made hitherto—Rs. 5.11 crores.

The deficit in the capital account outside the revenue account, public debt and loans and advances by the State Government was estimated at Rs. 26.98 crores. This large deficit in the capital account was indicative of the heavy burden of the debt repayment.

(The Times of India, New Delhi)

[Prev. ref. 8886:INI:Q]

P. Maharashtra Budget For 1969-70: The Maharashtra Finance Minister, Mr. S. K. Wankhede, presented the State's additional Budget for 1969-70 to the State Legislature in Bombay on June 17, which proposed an additional taxation of Rs. 2.18 crores in a full year and showed an overall surplus of Rs. 89,00,000.

There was an increase in the rates of sales tax to 12 per cent on 13 categories of articles, generally used by the upper middle class, to net Rs. 90,00,000.

The categories included motor vehicles, components and spare parts, clocks, watches, timepieces, photographic material, arms, cinematographic equipment, cigarette cases and lighters, certain audio machines, certain optical glasses, sound transmitting equipment, certain office equipment like tabulators, typewriters, teleprinters, and tape-recorders.

The Budget also proposed to increase the rate of sales tax on aviation spirit from 5 paise to 7 paise per litre. This increase would yield an additional revenue of Rs. 30,00,000. It also proposed to increase the tax on State transport passengers from 20 per cent to bring an additional resource of Rs. 98,00,000.

The estimates placed revenue receipts at Rs. 370.62 crores and revenue expenditure at Rs. 406 crores, showing a deficit of Rs. 35,38-000. But this revenue deficit will widen to Rs. 4.77 crores.

(The Times of India, Bombay)

[Prev. ref. 8200:INI:R]

Q. West Bengal Budget For 1969-70: Presenting the Budget estimates for 1969-70 in the West Bengal Assembly in Calcutta on July 2, the Chief Minister and Finance Minister, Mr. Ajoy Mukherjee indicated that the Government would have to take some measures of additional taxation in the current year for which necessary measures would be introduced in due course.

He said that the Government desired to raise about Rs. 75 crores by new measures of taxation and other means during the Fourth Five-Year Plan period.

The Budget disclosed a negative closing balance of Rs. 53.67 crores. Revenue receipts were estimated at Rs. 230.52 crores and revenue expenditure at Rs. 282.30 crores. There was a deficit of Rs. 13.78 crores outside the revenue account, making an overall deficit of Rs. 65.55 crores. This, together with the opening balance of Rs. 11.88 crores, resulted in a negative closing balance of Rs. 53.67 crores.

On the revenue side, Mr. Mukherjee estimated a reduction of about Rs. 2 crores under land revenue in the current year due to the decision to exempt holdings up to three acres from payment of land revenue, a shortfall of Rs. 1.5 crores under interest in view of the Durgapur project being not in a position to pay interest charges and is running at a loss and a shortfall of Rs. 75-00,000 in respect of receipts under stamps.

On the expenditure side an increase of Rs. 27.74 crores was due to the following reasons: an additional expenditure of Rs. 9 crores in order to give dearness allowance at Central rates, an additional Plan expenditure of Rs. 10.62 crores, an increase of Rs. 9.76 crores in respect of payment of arrear interest charges to the Central Government which could not be paid in 1968-69 and an increase of Rs. 4.16 crores for relief works due to floods in North Bengal last year.

Mr. Mukherjee placed the Plan outlay for 1969-70 at Rs. 55.44 crores (an increase of Rs. 10.62 crores over the estimates presented in March, 1969), in order to provide for schemes directly related to food production and power.

He gave the assurance that his Government would "continue to maintain law and order and preserve industrial peace."

(The Statesman, Calcutta)

[Prev. ref. 8915:INI:K]

R. Two IAF Accidents: Twenty-six persons were killed on June 29 in two IAF accidents—involving a Fairchild Packet near Agra and a helicopter near Jodhpur. Eighteen of them were Air Force personnel and eight, including six children, were residents of a cluster of hutments into which the blazing helicopter had crashed near Jodhpur.

Fourteen persons, including five officers, were aboard the Fairchild Packet which was flying from Nagpur to Agra. Owing to a severe duststorm the aircraft could not land at Kheria airport and crashed near Burhera village, 27 miles from Agra. The helicopter carried four persons, including two officers. Both aircraft were on training flight.

The charred and mutilated bodies of the Burhera village crash were recovered from the debris and identified. The next-of-kin were informed.

A court of inquiry was ordered to go into the causes of the accidents.

It was the first time in the history of the Indian Air Force that two aircraft had crashed on the same day. The last, and the worst, air accident involving an Air Force aircraft occurred on February 7, 1968, when an Antonov transport plane with 98 defence personnel aboard crashed on the Rohtang Hill range while on a return flight from Leh.

Other serious accidents to Air Force planes since 1958 were on: February 5, 1958, when a Liberator crashed on high hills about 55 km west of Sulur airfield near Coimbatore, killing all 10 persons aboard; February 17, 1964, when an Ilyushin-14 carrying 13 persons, including two top Army officers, crashed somewhere between Srinagar and Udhampur. All on board were killed; March 4, 1964, when a Fairchild Packet exploded in mid-air and plunged into the Hoogly river at Barrackpore immediately after take-off from the Air Force base there. All 22 men aboard, including a crew of five, were killed; April 13, 1965, when a Dakota crashed in the Mokokchung area of Nagaland, killing four officers and five other ranks; February 22, 1966, when 10 persons were killed and 12 injured when a Toofani hit a radar installation at Borjhar airport about 22 km from Gauhati and crashed in flames in a residential area. Seven persons were also reported missing.

(**The Times of India,** New Delhi)

[Prev. ref. 5701:INI:O, 8938:INI:P]

S. Train Disaster: Eighty-one persons were killed and 141 injured, 60 of them seriously, when the 6 Dn Allahabad-Gorakhpur Express was derailed about 100 km from Varanasi in the early hours of June 28.

Among those killed were two firemen. The driver received burns in the face and his condition was said to be serious.

Through running of trains in the Audihar-Mau section of the Varanasi Division was suspended. Trains were being diverted through Bhatni and other sections.

Sabotage Alleged:

According to reports received by the Railway Board, the derailment of the Allahabad-Gorakhpur Express was the result of sabotage. The rail track had been tampered with and fishplates and bolts removed at the site of the accident.

The driver of the ill-fated train, Mr. Bannerjee, who died of grave injuries, told the police in his dying declaration that he had seen a man on the rail track and he suddenly applied the brake. But the train moved on for 100 yards when the derailment occurred at about 1 a.m.

The Railway Minister, Mr. Ram Subhag Singh said that two or three rails had been removed just near the approach to the bridge on the River Maghali. Six coaches out of the total rake of 10 and the engine of the express train were derailed and capsized. The engine and three coaches fell completely and one partially into the river, 50 feet below the bridge. The capsized coaches did not, however, touch the water which was only knee-deep. Last year, also at the same place, there was an attempt to tamper with the railway line and a case was registered. The police had also recovered from the accident site amounts ranging from Rs. 1,000 to Rs. 10,500. The police were investigating whether looting of passengers was the motive for the sabotage.

(**The Statesman,** New Delhi and **National Herald,** Lucknow)

[Prev. ref. 8315:INI:B, 8971:INI:H]

T. Helium-Neon Gas Laser Developed: A helium-neon gas laser, a tool for research, communications and surgery, has been developed by the Bhabha Atomic Research Centre (BARC) in Bombay.

The laser, designed, constructed and operated by the Electronics Division of the BARC, generates a coherent and highly directional infra-red beam of wavelength 1,1523 microns. The maximum continuous power in the beam is about one milliwatt. This beam is invisible to an unaided eye but may be viewed with an infra-red image convertor or detected by photo-sensitive devices.

The ability of the laser to provide intense illumination over small areas is very useful for research in fields such as Raman spectroscopy and non-linear optics. The directional nature of the beams makes the laser attractive for optical communication and optical radar and makes it an invaluable aid in aligning complex optical instruments and large mechanical systems.

The laser group has made a number of lasers since 1954. One of these was used as a communication link between the BARC and the Tata Institute of Fundamental Research, a distance of 20 km. in 1965.

A ruby laser developed at Trombay can be used in the treatment of detached retina of the eye. Under development is an optical radar using a Q-switched ruby laser. Other uses are in micro-machining, study of non-linear optical properties of materials and production of high temperature plasma.

(**The Times of India,** Bombay)

[Prev. ref. 8292:INI:E]

U. "Hanuman Tibba" Peak Climbed By Girls' Expedition: Four girls from Gujarat climbed the 19,450-foot-high Himalayan peak, **Hanuman Tibba,** on June 24.

The expedition was headed by Miss Dolly Saher, an instructor in the Gujarat Mountaineering Institute at Mount Abu. The other members were: Dr. Miss Renuka Swami, Miss Usha Bhatt and Miss Rita Patel.

A four-member Japanese students' expedition to the Manali-Kulu area had also successfully climbed the **Hanuman Tibba.** The peak was climbed by all the members of the expedition and the Indian liaison officer with the expedition.

(**The Statesman,** New Delhi)

[Prev. ref. 8415:INI:I]

V. Exploration Of Indian Ocean: Indian marine scientists plan to explore the Indian Ocean during the 1970-80 International Decade of Oceanic Exploration as an extensive follow-up of the UNESCO-sponsored Indian Ocean Expedition in which 20 countries had participated over a period of six years.

The Indian programme for oceanic research during the Decade along with similar programmes of other countries would be presented to the Inter-Governmental Oceanographic Commission at its meeting to be held in Paris in September.

India's efforts during the Decade will be concentrated on the study of geology, geo-physics, geo-chemistry, biology and physical oceanography of the Arabian Sea, the Bay of Bengal and the northern Equatorial part of the Indian Ocean.

Much of the success of India's efforts to further supplement its knowledge of the Indian Ocean will depend upon its ability to secure necessary ships to conduct the exploration. The National Institute of Oceanography is acquiring a 45-foot boat for exploration purposes. Larger ships are necessary for various studies contemplated under the Indian programme.

The studies made during the International Indian Ocean Expedition of 1961-65 by India, Russia, the United States, UK and other countries have assumed great importance for India, economically and scientifically.

Some of the analyses of the data secured by the International Indian Ocean Expedition now available have exploded the myth that tropical seas cannot sustain big fisheries. Excellent and varied fish shoals have been located in the Arabian Sea, some parts of the Bay of Bengal and other regions of the Indian Ocean.

(The Hindustan Times, New Delhi)
[Prev. ref. 6402:INI:N]

IRAN

A. Indo-Iranian Joint Commission Meeting: A major blue-print on economic collaboration between Iran and India emerged from the first meeting of the Indo-Iranian Joint Commission, which ended in Tehran on June 22.

A **communique** issued in Tehran recorded agreement on seeking to set up a joint venture in Iran for the production of ammonia, which was intended to be utilized for the proposed fertilizer factory at Paradeep. A project report on it was expected to be ready by September and this would be considered at the *Joint Commission's second meeting in New Delhi in December.*

Secondly, India and Iran agreed to investigate the setting up of a plant to manufacture railway wagons in Iran. This was a proposal made from the Indian side and Indian participation in the projected plant was expected to be about *70 to 80 per cent.*

However, the import of ammonia for the Trombay plant was not recorded. It was understood that it was intended to import 200,000 tons of ammonia on this account, but there were differences between the two sides on the time factor involved in laying a pipeline from Bombay harbour to Trombay.

While the **communique** merely recorded that Iran would facilitate the import of steel products, chemicals, railway equipment and spares, the meeting was understood to have projected a long-range agreement between the two countries for the fulfilment of these Iranian requirements.

(The Statesman, New Delhi)
[Prev. ref. 8766:INI:A]

B. World Bank Loan: It was announced in Washington on June 19 that Iran would receive a loan of $30 million from the World Bank for additional irrigation works, farm development and adoption of modern agricultural techniques in Khuzestan province.

The development of irrigation and agriculture in the Dez area in the province was initiated following the construction of the multi-purpose Mohammad Reza Shah Pahlavi Dam on the Dez River, for which the Bank had made a loan of $42 million in 1960.

The project now being financed will provide for the irrigation of 90,000 acres and on-farm development of the entire 140,000-acre area.

(Kayhan International, Tehran)
[Prev. ref. 8995:IRN:A]

JAPAN

A. Aid To Developing Countries: The Finance Minister, Mr. Takeo Fukuda, told the Cabinet in the last week of May that Japan had extended a total of $1,049,300,000 in economic aid to developing nations in 1968.

The amount represented an increase of 22.7 per cent over the preceding year's figure.

According to Mr. Fukuda, the aid accounted for 0.94 per cent of the gross national income against 0.89 per cent for the preceding year.

The goal of such aid is one per cent of national income.

The aid conditions were eased somewhat in 1968 with Governmental loan interest rates averaging 3.74 per cent a year and repayment terms 18.1 per cent a year against 4.79 per cent and 16.6 per cent, respectively, for the preceding year.

Such an increase of Japan's economic assistance was traced mainly to a marked 52 per cent increase in non-Governmental aid.

Specifically, private investment abroad went up by 45 per cent and export credits by 49.8 per cent. The Governmental aid, on the other hand, dwindled by 8.6 per cent.

(The Japan Times, Tokyo)
[Prev. ref. 8484:JAP:B]

B. Search For Uranium: The Power Reactor and Nuclear Fuel Development Corporation plans to begin a five-year search for uranium in Australia and Canada and the countries of Africa, South-East Asia and Latin America in 1970 because of the possibility that there will be a world shortage of reactor fuel in the 1970s.

At least 13 new Japanese nuclear electric power plants are expected to be placed in operation during the next decade.

In addition to overseas explorations, the Japanese Corporation is also planning to increase its uranium survey in Japan as well. Corporation executives hope that Government budgetary appropriations will allow them to explore possible uranium deposits in Congo (Kinshasa) and Niger and in advance of other African regions.

The Japanese have already developed a uranium mine on the Tottori-Okayama prefectural border in western Honshu, the main island. The country's first integrated uranium ore processing plant will be constructed there to provide the Japanese reactors with close to 25 tons yearly of ammonium diuranate (ADU) which can be used for producing enriched uranium.

Japan's domestic uranium deposits currently total an estimated 6,530 tons in terms of triuranium octoxide, but only 2,500 tons of it is commercially minable. This is just sufficient to operate Japan's present single nuclear power plant for 30 years.

Although the United States has promised to ship sufficient nuclear fuel to allow operation of at least 14 power stations for the next three decades, the Japanese Corporation feels that it must seek its own basic ore supplies.

(The Economic Times, Bombay)
[Prev. ref. 8440:JAP:G, 8923:JAP:A]

VIET-NAM (DR)

A. Air Agreement With USSR: The Soviet news agency, Tass, reported on June 22 that Viet-Namese and Soviet officials had concluded in Hanoi an Air Agreement which would "strengthen the friendship between their countries."

Aeroflot and North Viet-Nam's Hong Kong Viet-Nam would fly a once-weekly service between the two capitals, with stop-overs in Tashkent, Karachi and Calcutta.

At present, Soviet aircraft flying to Hanoi have to pass through Peking and observers speculated that the new Agreement may mean that a more direct route, avoiding China, might be established.

(Tass and **Far Eastern Economic Review,** Hong Kong)

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JORDAN

A. Cabinet Re-shuffled: King Hussein re-shuffled his Government on June 30 and made changes in the top positions in the Army and security forces.

No official explanation was given for the re-shuffle, which involved ten ministerial and military positions. The changes were announced in a Royal decree broadcast over **Amman Radio.**

It said that Mr. Ahmed Toukane, Foreign Minister, had given up the Defence portfolio and had taken up the Tourism portfolio instead.

Gen. Amer Khammash, Army Chief of Staff, was named as the new Minister of Defence, Gen. Ali Hayari, formerly Director of the Security Forces, was named as the new Army Chief.

Mr. Akef el Fayez, Vice-Premier, handed over his portfolio as Minister of the Interior to Gen. Mahmoud Rassoul el Keilani, a former Director of the Security Forces.

Marshal Hades Majali was appointed First Secretary to King Hussein, replacing Mr. Cherif Nasser Ben Jamil, who was nominated C-in-C of the Army.

Gen. Izzet Hassn Kandour took over from Gen. Ali Hayari as Director of the Security Forces.

(Amman Radio)

[Prev. ref. 8804:JOR:A]

KOREA (South)

A. Sinking Of Spy Boat Claimed: The Central Intelligence Agency in Seoul reported on June 13 that a spy boat had been sunk in a six-hour gun battle on June 3 off the western coast of Korea.

Earlier, the Agency had said the spy boat was captured and 15 North Korean Commandos on board "wiped out" in the battle. Later, it said that the boat was sunk near the island of Huksando, about 120 miles south of Soeul.

Agency officials said all the 15 persons on board the boat were "shot to death" but only two bodies had been recovered. They said they knew the spy boat was coming and had set up a trap around Huksando with a combined Army, Navy and Air Force task force. The boat was supposed to pick up a communist agent on the island and take him back to North Korea. The agent was arrested on May 30 while in South Korea on an espionage mission. The South Koreans made him maintain radio contact with North Korea and organized the task force when the spy boat left the North Korean port of Chinnampo on June 12. "We even knew the number of crew on the boat".

The officials added that the communist boat, a 75-ton vessel with a maximum speed of 35 nautical miles per hour, was disguised as an ordinary cargo fishing boat. An attempt by the task force to capture the spy boat was met with strong and persistent resistance from its crew who were heard through radio eavesdropping to receive orders from North Korea "to fight it out until the last man falls".

After a South Korean destroyer escort fired her heavy guns, South Korean troops went on board the communist boat and found about a dozen bodies, they had to abandon the ship after recovering some North Korean equipment, because the ship was going down.

(The New York Times)

[Prev. ref. 8289:KRS:A]

B. World Bank Assistance For Industry: The World Bank on June 25 provided a loan equivalent to $20 million to the Korea Development Finance Corporation (KDFC).

The loan will help sustain Korea's rapid industrial growth by enabling KDFC to finance the foreign exchange cost of specific projects undertaken by private industrial enterprise.

Manufacturing industry has been the main force behind Korea's impressive economic growth. During 1968, when gross national product increased by 13 per cent, the output of the manufacturing sector rose by almost 29 per cent, and the rapid increase in exports of manufactured products continued. As a result, the manufacturing industry accounted for nearly one-quarter of Korea's gross national product and for two-thirds of its total exports during the year.

Role Of KDFC:

The rapid expansion of the Korean economy has created a strong demand in the private industrial sector for medium-term and long-term finance, and especially for foreign exchange resources. To help meet this demand, KDFC was established under the sponsorship of the Federation of Korean Industries in April, 1967, with the assistance of the International Finance Corporation (IFC), a World Bank affiliate.

Early in 1968, IFC subscribed the equivalent of $713,000 to the equity of KDFC, and the World Bank made a loan equivalent to $5 million. Together with funds from other sources, both domestic and foreign, KDFC started operations with resources equivalent to $22.5 million. KDFC's purpose is to make equity investments, as well as loans, primarily in manufacturing and processing industries. It gives high priority in its investments to businesses whose products will save Korea foreign exchange by substituting for imports or that earn foreign exchange through exports.

Apart from KDFC, the only financial institutions in Korea providing medium-term and long-term industrial finance are two Government-owned banks. But it is the Government's intention that KDFC should become the principal source of industrial financing for the private sector. Over the past 12 months, its operations have been gathering momentum. There is a strong demand for its services, and it is expected that it will commit the new World Bank loan within a period of approximately two years.

KDFC earned a net income of 107 million Won ($380,000) in 1967 and W436 million ($1.56 million) in 1968. It has not yet paid a dividend and all earnings have been retained.

The World Bank loan is guaranteed by the Government of Korea, and carries interest at 6-½ per cent per annum. Repayments to the World Bank will conform approximately to repayments received by KDFC on its sub-loans financed out of Bank funds, which will not extend for periods beyond 15 years.

(World Bank Press Release)

NEPAL

A. King Mahendra's Address To Panchayat: In his address to the Budget session of the Rashtriya Panchayat (Parliament) in Khatmandu on June 18, King Mahendra said that his Government would pay "particular attention" to the establishment of industries based on indigenous raw materials "which are of lasting and permanent value to Nepal".

This was a re-iteration of his statement last year. He also said that his Government had already enforced a law for encouragement and additional *facilities to cottage industries and other industries based on indigenous raw materials.* His *statement on industrial policies clearly gave low priority to certain types of industries in the country* set up on the basis of imported raw materials, the producers of which had been clamouring for a larger *quota of exports of these goods to India.*

Stainless steel and synthetic fabrics were items produced in this country much in excess of the local requirements and were sought to be sold in Indian markets.

King Mahendra welcomed the proposed withdrawal of 25,000 troops from Viet-Nam. Nepal also welcomed efforts made by other States towards world peace.

Referring to foreign policy, he said Nepal's "traditionally friendly ties with our neighbouring countries, India and the People's Republic of China, continue to be strengthened." These were the only two countries he mentioned by name. He said Nepal's foreign policy was based on non-alignment and peaceful co-existence while remaining vigilant to safeguard the country's independence, sovereignty and territorial integrity.

He said that the panchayat system had become an integral part of Nepal's national life and "the society and the country believe that there was no alternative to it and have embraced it in words, deeds and thoughts."

He, however, cautioned his countrymen against complacency and called upon workers of the panchayat system "who are the real representatives of the people" to work harder and launch a sustained campaign for self-discipline.

(The Statesman, Calcutta)

[Prev. ref. 8918:NEP:A]

B. Budget For 1969-70: The Prime Minister, Mr. Kirtinidhi Bisht, who also holds the Finance portfolio, presented to the National Panchayat (Parliament) on June 30 a Budget showing a deficit of Rs. 6.94 crores which will be met partly by foreign and internal loans, but a net deficit of Rs. 3.71 crores has been left to be met by previous years' savings.

Mr. Bisht presented a Budget of Rs. 84.10 crores for the financial year beginning mid-July, 1969. This is the biggest amount to be spent in Nepal so far in one year. Of this, Rs. 60.82 crores is proposed to be spent on development. This includes Rs. 39.36 crores for communications, agriculture and irrigation and power.

This year's foreign aid is expected to be about Rs. 32.93 crores, while Nepal will itself raise Rs. 44.23 crores through various sources.

Taxes have been increased only on luxury and non-essential goods, *while those on essential commodities remain unchanged.*

Indian aid, as in the last two years, is the largest and forms more than half of the total foreign aid estimate for 1969 and 1970. It will be Rs. 16.63 crores for the coming fiscal year compared to Rs. 12.61 crores for the year ending July 15, 1969.

The other aid-giving nations are China (Rs. 7.66 crores), USA (Rs. 6.66 crores), Britain (Rs. 1.08 crores), Russia (Rs. 45,00,000), and West Germany (Rs. 27,00,000). Besides, Rs 15,66,000 is expected from other countries.

Nepal will receive an interest-free loan of $17 million from the International Development Association to develop tele-communications. The loan is repayable in 40 years.

With this aid, Nepal proposes to install telephones in all the major towns—about a dozen—within three years. Trunk telephones and a long-distance tele-communication system will also be developed with this aid. At present, only Khatmandu and Biratnagar have telephone systems. Tele-communications are at present maintained through a net-work of wireless stations numbering more than 60 installed with American assistance.

The tax proposals are expected to yield a revenue of Rs. 1.43 crores only.

This year no increase has been proposed in postal and telephone rates as also in air freight or hotel tax.

The goods on which Customs duties have been increased are mainly synthetic textiles and hosiery goods, ready-made garments, washing soap, tea, confectionaries, cotton threads, etc.

Duties on alcoholic products have been increased by as much as 35 per cent. The registration fee for motor trucks and buses has been increased by 500 per cent, for jeeps by 100 per cent and for scooters and motor cycles 33 per cent.

(The Hindustan Times, New Delhi)

[Prev. ref. 8676:NEP:A]

PAKISTAN

A. Mr. H. Bourguiba Jr.'s Visit: In a **communique** issued at the end of the Tunisian Foreign Minister, Mr. Habib Bourguiba Jr's four-day visit in Karachi on June 29, Mr. Bourguiba and President Yahya Khan expressed "deep concern at the deteriorating situation in Rhodesia."

The two leaders called for "comprehensive mandatory sanctions" against Rhodesia in accordance with the United Nations Charter. They condemned **apartheid** and South Africa's annexation of South-West Africa.

The **communique** stressed the need for closer ties between Africa and Asian countries and expressed deep concern over the West Asia situation which was a "constant threat to peace and stability." It called for withdrawal of Israeli forces from Arab lands and restoration of Jerusalem to Jordan.

On relations between the two countries, the **communique** announced agreement to set up a committee to examine ways and means of establishing closer economic co-operation between the two countries.

Kashmir also figured in the joint **communique.** It said that "Pakistan and Tunisia have agreed that a solution of the Kashmir and Ganges waters issues between India and Pakistan will help bring about peace in this region."

(The Times of India, Bombay)

B. USSR To Develop Gwadur As Naval Base: It was stated in Rawalpindi on June 29 that President

Yahya Khan's Government had revived, with Soviet assistance, a five-year-old project to give Pakistan a second major port on the west coast for the use of its growing navy at Gwadur, 275 miles west of Karachi.

Originally conceived in 1964 with the help of its CENTO allies, the project was to have been aided by Western nations. Their support was apparently with-held or denied to Pakistan after the Indo-Pakistan conflict of 1965.

The high-priority project, on which work began recently, also aims at developing the small west coast port of Gwadur into a major naval base as it is strategically situated, commanding the sea-way from and to the Persian Gulf.

Indian Reaction:

It was stated in New Delhi that the implications of this move of Pakistan for India could be serious in terms of future Soviet help in equipping and developing Pakistan's Navy. Russia has been anxiously looking around for base facilities denied to her by India, with a view to increasing her "presence" in the Indian Ocean.

The 300-mile Gwadur peninsula was ceded to Pakistan by the Sultan of Muscat and Oman in September, 1958 through British good offices for £3,000,000. At present, Gwadur has a population of but a few thousands.

The statement of Vice-Admiral N. I. Smirnov, Deputy Chief of Staff of the Soviet Navy, during his visit to Pakistan in March, 1969 also acquires a new significance. He had said that a powerful Pakistani Navy would be a good pre-condition for peace in this part of the Indian Ocean.

The implications of Pakistan developing a second major Navy port on the Makran coast are obvious, particularly in the context of the expansion and modernization plans of the Indian Navy. Pakistan's naval strategy seems to be to concentrate on under-sea warfare capabilities.

It is said that USA is aware of the Soviet Union's interest in Gwadur, but a recent attempt by an American naval vessel to probe into it failed.

Presumably, the Soviet support to Pakistan in developing Gwadur might also extend to the building of communication links to the port. The Pakistan Atomic Energy Commission has started work on a solar desalination project at Gwadur to provide 15,000 tons of drinking water a day.

Soviet Denial:

But, on July 2, the Press Department of the Soviet Foreign Office described as "nonsense" reports that Russia was helping Pakistan build a naval base in the Arabian Sea and was hoping in return to secure facilities for a naval force in the Persian Gulf and the Indian Ocean.

The cryptic but swift and outright denial supported the view generally held in diplomatic circles in Moscow that the Soviets were unlikely to be building nor seeking base facilities in the region.

For one thing, it was pointed out, acquisition of bases was against the Soviet policy which was re-stated during the World Communist Conference in June, 1969. The Conference document called for disbandment of bases on foreign territory, saying that their existence was an obstacle to international co-operation.

Secondly, it was recalled in these circles, USSR had seemed to be keen on securing disengagement of countries, especially in their immediate periphery, from commitments of military alliances and to promote concepts of collective security based on good neighbourly co-operation and mutual understanding.

From the military point of view, too, it was thought that the Soviet Union stood in no need of bases, particularly as the Soviets had now evolved a system of re-fuelling and supplying ships in mid-ocean without support of relay points.

(**The Statesman,** Calcutta and New Delhi)

[Prev. ref. 8450:PAK:A, 9059:PAK:A]

C. **Sheikh Mujibur Rehman Demands New Constitution:** The Awami League President, Sheikh Mujibur Rehman demanded on June 22 the framing of a new Constitution on the basis of his party's six-point programme and the 11-point programme of the students.

In a statement issued in Dacca on June 22, he said that his party was firmly wedded to the concept of full regional autonomy, representation in the Federal Legislature on the basis of population and dismemberment and restoration of the former Provinces of West Pakistan.

He said that the Pakistani authorities should "make immediate arrangements to hold direct elections on the basis of universal adult franchise and representation on the basis of population. The object of these elections would be to bring into being a federal parliamentary structure which would provide the country with a representative legislature and a civilian government to which power should be transferred immediately.

(**Dawn,** Karachi and **The Hindustan Standard,** Calcutta)

[Prev. ref. 8499:PAK:A, 8964:PAK:E, 9060:PAK:B]

D. **New Political Party Formed:** Four Rightist political parties merged on June 24 to form the Pakistan Democratic Party, with Mr. Nurul Amin tipped to head the party as convener.

The four parties to merge were: East Pakistani National Democratic Front, Awami League of Nawabzada Nasrul Haq, the newly-formed Justice Party of Air Marshal Asghar Khan, and Nizam-i-Islam Party.

Mr. Nurul Amin told newsmen that if elections in the country were delayed, the new Pakistan Democratic Party would agitate against non-fulfilment of President Yahya Khan's promise of early transfer of power to the people.

(**The Times of India,** Bombay)

[Prev. ref. 8964:PAK:E, 9060:PAK:B]

E. **Regulations Relaxed On Meetings:** It was announced in Rawalpindi on June 26 that the East Pakistan Martial Law Administration had relaxed its regulation on the holding of meetings.

A Press Note said that no permission was required to hold meetings of the executives of organizations, including labour and students' organizations.

However, a meeting of the general body of an organization was not covered by the exemption. Such a meeting could be held only after obtaining the permission of the authorities.

(**Radio Pakistan**)

[Prev. ref. 8926:PAK:A]

F. **Economic Survey:** The Government conceded on June 23 that Pakistan was unlikely to meet its target of food self-sufficiency by 1970, which the former regime of F-M Mohammed Ayub Khan had proclaimed was in sight.

An Economic Survey issued in Rawalpindi said that wheat-eating West Pakistan was "near self-sufficiency" and would not need to import wheat from East Pakistan where rice was the main diet.

It added: "It may take longer than many of us had thought to become self-sufficient in foodgrain production."

This year's East Pakistan rice crop was estimated at about 11 million tons, representing no increase over last year.

The Survey also conceded that the growth rate had fallen in the fiscal year under review, which ended on June 30. It stood at 5.2 per cent, against 7.5 per cent for the 1967-68 fiscal year.

The Survey blamed bad weather and floods that hit agriculture in East Pakistan, a shortage of foreign aid needed to buy raw materials for industry and political disturbances at the time of the collapse of President Ayub Khan's **regime.**

But, it said that the total loss due to unrest was not more than Rs. 100,000,000.

The growth rate of large-scale industry fell from 7.8 per cent in 1967-68 to 7.4 per cent.

It also conceded a slow-down of private sector investment and a rise in the cost of living in the year under review.

Between April, 1968 and March, 1969, the wholesale price index rose by 10.6 per cent. But **per capita** income had risen. There was an improved balance of trade.

(*Dawn*, Karachi and **The Statesman,** Calcutta)

[Prev. ref. 8310:PAK:B]

G. Mr. Z. A. Bhutto On Situation: In a talk with newsmen in Karachi on June 14, Mr. Z. A. Bhutto asked Gen. Yahya Khan to recognize the "complexities of the present situation" and draw "correct conclusions from past blunders."

He said that Pakistan could not live for ever under Martial Law. In his view, an all-party agreement on basic constitutional principles to return to democracy was necessary.

Radio Pakistan quoted him as saying that intervention by armed forces was permissible when the country was "ablaze." But Martial Law could not be declared again and again.

He said it must be borne in mind that a country divided into two Wings and separated by more than 1,000 miles required political participation of both the Wings to cement the bonds of unity.

His party, he said, would be prepared "as a last resort, though reluctantly" to accept the 1956 Constitution. But questions such as parity between the two Wings and the future of the "One Unit" system in West Pakistan must be resolved before the elections.

He was of the view that questions like proportional representation and breaking up of the one-unit system should be decided in a referendum. All these things should be settled at a conference of political leaders. If the politicians could not hold such a conference, the Government itself should organize one.

(**Radio Pakistan** and **The Hindu,** Madras)

[Prev. ref. 8894:PAK:A]

H. National Awami Party's Appeal: The pro-Peking National Awami Party at its meeting in Panchbibi (East Wing) on June 6 called on President Yahya Khan to transfer power to the people at an early date through General Elections on the basis of a new Constitution.

The Party's Working Committee, headed by 80-year-old Maulana Bhashani, said the new Constitution should be framed and approved by the people. Any new Constitution should provide for one-man, one-vote and direct parliamentary elections.

(**The Statesman,** Calcutta)

[Prev. ref. 8963:PAK:A, 9060:PAK:B]

I. Soviet Tanks Supplied: It was confirmed on June 5 that 60 more Soviet tanks had arrived, to bring the number of such tanks to around 100.

The arrival of the new contingent of tanks went a long way to meeting Pakistan's request for a total of 250 tanks and closely followed the Soviet Premier, Mr. A. Kosygin's visit to Rawalpindi.

According to political observers in New Delhi, one consequence of the new Soviet supply of tanks will be an even more wary approach by India to professed Russian gestures for bringing about peace between India and Pakistan. Moscow's new proposal of regional co-operation linking the Indian sub-continent with Afghanistan will also be viewed in a different light.

Indeed, the timing of the new injection of Soviet arms assistance to Pakistan is likely to have an unfortunate effect on Indo-Soviet relations. Present Soviet objectives in Pakistan are being assessed in New Delhi as an interest in maintaining Russian security and a desire to secure shore facilities in Pakistan for their submarine-bound sailors in Russia's new efforts to establish a credible presence in the Indian Ocean. India is believed to have expressed her inability to provide such facilities for the Soviet Navy.

Going by this assessment, promoting Indo-Pakistani or regional co-operation occupies a third place in the scheme of Russian priorities.

(**The Statesman,** New Delhi)

[Prev. ref. 8895:INI:B]

J. Relations With India: In one of the strongest anti-Indian statements since the emergence of the military administration of President Yahya Khan, a Government spokesman said in Islamabad on June 4 that India did not intend to eliminate the basic cause of tension between the two countries and that there could be no co-operation with India "unless the Kashmir issue is settled."

The spokesman re-iterated the Pakistani charge that India's attitude on the Kashmir issue had been hardening.

Pakistan had made this charge shortly before the recent talks between the Soviet Prime Minister, Mr. Alexei Kosygin, and Gen. Yahya Khan. When Pakistani correspondents questioned Mr. Kosygin on the subject, he had denied that there was any hardening in India's attitude.

Although the Soviet-Pakistan **communique** issued at the end of Mr. Kosygin's visit had made no mention of the Tashkent Declaration, an Indian External Affairs Ministry spokesman had welcomed Gen. Yahya Khan's statement that efforts were being exerted to solve outstanding disputes with India and re-affirmed India's keenness to settle all differences peacefully through bilateral talks.

The Pakistani spokesman, however, alleged that it was for the sake of propaganda that India said it was prepared to settle all the issues. He added that because of its military might, India did not think it necessary to hold talks with Pakistan.

Referring to the recent Indian re-iteration of the position that Kashmir was an integral part of India, the Pakistani spokesman said the basic issue between the two countries was the Kashmir question.

(**The Times of India,** New Delhi)

[Prev. ref. 8964:INI:C, 9059:PAK:A]

K. Four Committees To Probe Into Corruption: On June 20, the Government set up four Special

Committees—two in each Wing—to inquire into "improper" acquisition of property and assets by Class I Government officials and those drawing equivalent salaries in statutory corporations and institutions.

This followed the decision of the Government, announced a few days earlier, to take steps to eradicate corruption.

According to an announcement in Islamabad, quoted by **Radio Pakistan**, each of the Committees would be headed by a retired High Court Judge and would consist of two other members, one of whom would be from the Defence Services.

One of the two Committees in either Province would deal with the declaration of assets of Class 1 officers drawing a salary of Rs. 1,500 or more but less than Rs. 2,300.

The other would examine the assets of Class 1 officers drawing less than Rs. 1,500.

(Radio Pakistan)

[Prev. ref. 8964:PAK:B]

L. **World Bank Loan:** On July 1, the World Bank and the International Development Association announced loans totalling $44.5 million (Rs. 33.37 crores) to Pakistan for railways and agriculture.

(Radio Pakistan)

[Prev. ref. 9019:PAK:A]

M. **Move To Nationalize Christian Schools—Other Educational Reforms:** It was stated in Karachi on July 3 that the Government wanted to nationalize Christian missionary schools and abolish English as the country's official language.

Presenting proposals for the modernization of the nation's education system, the Government said that missionary schools were partly responsible for "the emergence of a secular class, the influence of which is totally out of proportion to its numbers."

The document containing the proposals blamed the existence, side by side, of classical Muslim schools and an outdated educational system inherited from British rulers of the Indo-Pakistan sub-continent, as well as mission schools, for the division in the national consciousness between Western-educated, English-speaking Pakistanis and others. Both systems neglected science and technology in favour of religious teaching and the humanities. Consequently there were not enough technically qualified Pakistanis to help the country's economic development, and there were no jobs for 200,000 young people with qualifications in the humanities.

To heal the division between Western-educated Pakistanis and the rest, the document said, the over-riding need was to abolish English as the country's official language.

It recommended that science and mathematics be taught in Muslim schools, and that religious doctrine be taught to children up to the age of 16 in secular schools.

The proposals, outlining the **regime's** education policy for the next 10 years, would be circulated for a month to elicit public opinion. They followed widespread student unrest which contributed to the downfall of President Ayub Khan.

(The Times of India, New Delhi)

[Prev. ref. 5553:PAK:D, 8842:PAK:A]

PHILIPPINES

A. **Candidates In Presidential Contest:** The principal political organizations, the Nacionalista Party and the Liberal Party, have chosen their candidates for the Presidential elections scheduled for November.

President Ferdinand Marcos has been chosen unopposed by the Nacionalista convention in June as its candidate.

His Liberal Party opponent is Senator Sergio Osmena Jr. He had to contend with two other aspirants for party candidacy, Senator Genaro Magsaysay and the Manila Mayor, Mr. Antonio Villegas.

While the Nacionalista campaign highlights the achievements of the Marcos Administration, the Liberal Party platform takes the Government to task for its "mismanagement and corruption."

Commenting on the campaign of the rival parties, a correspondent wrote in the **Far Eastern Economic Review:** "There is little to choose between the two party platforms, although the Liberal Opposition is rather more appealing to the masses because it advocates either a welfare State or a limited socialist programme. However, the Nacionalista party is not without its socialist ideology, having already produced a Medicare Bill. Also it is proposing greater social justice and "socialization of capital and plans to introduce a Bill which seeks tto give labour a share of corporate profits in excess of 20 per cent."

The other points contained in the report were: "Both parties welcome foreign investment.

"Both Mr. Marcos and Mr. Osmena have taken generally pro-American stances and are advocating continuing friendly ties with USA.

"While party platforms may be identical, each party has always had minority groups which tend to side with the opposition."

(The New York Times and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 6832:PHI:A]

B. **Contributions To Asian Development Bank:** The Asian Development Bank, which has its headquarters in Manila, on June 24 accepted a Japanese contribution of 72 million yen ($200,000) on a grant basis for its Technical Assistance Special Fund.

This was the third contribution made by Japan to the ADB Technical Assistance Special Fund. The previous contributions totalled $131,278.

Under the terms of the agreement, the contribution will be used for acquiring the services of consultants and specialists from Japan and for purchasing library materials.

The Bank acceptance of the Japanese contribution was conveyed by a letter from the ADB President, Mr. Takeshi Watanabe, to the Director for Japan on the Bank's Board of Directors, Mr. Masaru Fukuda.

A week earlier, the Bank accepted an offer by the Netherlands of four million guilders ($1.1 million).

The contribution was to be allocated to the Agricultural Special Fund, to be used mainly in South-East Asia for concessional lending.

Under the agreement, the Netherlands contribution will be untied as far as procurement from developing member-countries is concerned. As to the developed members of the Bank, the contribution may only be used for procurement in such countries as have made contributions to similar Special Funds on procurement conditions not less liberal than that of the Netherlands,

The assistance extended by the Netherlands represents the third capital contribution to the Agricultural Special Fund, the first being a $20 million contribution by Japan and the second being a $2 million contribution by Denmark.

The Bank also received from Canada a $25 million contribution (over 5 years) to its Multi-Purpose Special Fund and contributions to its Technical Assistance Special Fund from the United States, Britain, Japan, West Germany, Canada, Denmark and Finland.

Soviet Participation:

Japanese newspapers reported on June 12 that the Soviet Union was considering investments in the Asian Development Bank.

The Japanese Foreign Ministry said, however, it could not confirm the report published by the **Mainichi Shimbun,** a leading daily, and the **Nihon Keizai Shimbun,** a major financial journal.

The newspapers quoted Foreign Ministry sources as saying that the Russian desire had recently been expressed by the Deputy Foreign Minister, Mr. V. M. Vinogradov, when he met the Japanese Ambassador in Moscow, Mr. Toru Nakagawa.

The Bank was set up in 1966 with an authorized capital of $1,000 million to promote regional development in Asia and the Far East. No Communist country contributes to the Bank.

The Japanese newspapers did not mention how much the Soviet Union planned to put up for the Bank, but the Finance Ministry said the Soviet Union would be eligible to join the organization according to the Bank charter, although it requires majority support from member-nations.

(**ADB Press Release, UN Newsletter** and **The Times of India,** New Delhi)

[Prev. ref. 8804:JAP:H, 9023:AOA: F]

C. Steps To Prevent Drain On Foreign Exchange: The Government banned with effect from June 19 a wide range of consumer goods imports in an attempt to stop the drain on foreign reserves.

The ban order was a follow-up to the imposition of penalty re-discount rate of 10 per cent, the highest in the post-War period, to squeeze commercial bank lending.

Among the banned items are preserved meat of all kinds, poultry, milk products, butter and eggs. More items will be added when the main guidelines are worked out.

The squeeze on commercial banks will be drastic, especially on many smaller ones. Commercial banks already charging 12 per cent for top-grade secured loans and a lift to 14 per cent can be compared with blue chip yields of between six and 10 per cent on the local stock exchange.

The reason for this clamp-down on borrowing has been the continuing low levels of foreign reserves, standing at $177 million.

Earlier in the month, banks voluntarily stopped opening letters of credit for all imports for several days as an emergency measure, pending agreement on a list of priority imports.

The Central Bank has already asked motor importers to cut back hard and textile importers to reduce orders. The latest bank rate move is seen as partly window-dressing —a group of American bankers is due in Manila soon to discuss the extension of big loans whose payment dates are fast approaching.

(**The New York Times** and **The Japan Times,** Tokyo)

[Prev. ref. 8310:PHI:A]

D. World Bank Assistance: A World Bank loan equivalent to $12.5 million for a rural credit project to increase agricultural production in the Philippines was announced in Washington on June 4.

The project was a continuation of an agricultural credit programme which was supported by a loan of $5 million made by the Bank in 1965.

The loan, guaranteed by the Filipino Government, will be for a term of 14 years, including a four-year grace period. It will carry interest at 6-1/2 per cent. The Fidelity Bank, Philadelphia, was participating in the loan to the extent of $50,000. The loan will be made to the Central Bank of the Philippines which will re-lend the proceeds of the loan, along with funds from other sources, to qualified rural banks. The rural banks, in turn, will advance loans for periods ranging from three to ten years to farmers for specified purposes.

Under the project, farmers will be offered medium and long-term loans for buying farm machinery and equipment, and for livestock and fishery development. As a result, it was expected that more rice, sugarcane, pork, poultry and fish, valued at some $29 million, will be produced annually. The net foreign exchange saved or earned could be as much as $13 million per year. Approximately 7,000 beneficiaries engaged in farming, fishing and related activities were expected to participate in the project.

(**World Bank Press Release**)

[Prev. ref. 7888:PHI:A]

SAUDI ARABIA

A. Report Of Plot Against King Feisal: It was stated on June 17 that a wave of arrests had followed unconfirmed reports that King Feisal had smashed a plot to assassinate him and overthrow his Government.

Saudi officials privately admitted that about 400 persons, suspected of having distributed Communist leaflets, were rounded up.

But conflicting reports, circulated in Jeddah, said that there had been an unsuccessful plot against the life of King Feisal in a bid to establish a Republic. The reports spoke of police and army involvement in the plot.

Another account implicated the sons of former King Saud, who died in exile earlier this year after being deposed by his brother in 1964.

The National Liberation Front of Saudi Arabia, a Left-wing group with little following in the oil-rich kingdom, meanwhile has named 48 persons allegedly thrown into jail by King Feisal. The Front has appealed for their release.

(**The Times,** London)

[Prev. ref. 6326:SUA:B, 6759:SUA: A]

SINGAPORE

A. ECAFE Session: The 25th session of the Economic Commission for Asia and the Far East (ECAFE) was held in Singapore from April 16 to 28.

Delegates from 30 member-countries, 14 observer-countries and 29 United Nations bodies and specialized agencies, inter-governmental and non-governmental organizations attended the session.

During the session, the four-nation Mekong Committee (Cambodia, Laos, Thailand and South Viet-Nam) held closed-door meetings.

Also, the first Asian Highway Motor Rally from Vientiane to Singapore, an ECAFE project, ended on April 20 with the awarding of trophies by ECAFE's Executive Secretary, U Nyun.

The session was inaugurated by the Singapore President, Inche Yusuf Bin Ishak. It later elected the

Foreign Minister of Singapore, Mr. S. Rajaratnam, as Chairman.

Delegates in the open session reviewed the economic problems of the region in general and of their respective countries in particular.

Annual Report:

A highlight of the session was the presentation of the annual report which underscored the apprehension of the Asian countries at the declining amount of aid and the hardening of aid terms.

The report pointed out that two-thirds of the world's population live in the region embraced by ECAFE and their average **per capita** national income is considerably lower than the other developing regions—Latin America, Africa and West Asia.

Asian nations expect that the amount of aid they should receive would attempt to counter-balance this—but in reality the amount of assistance received per head by the people of Asia is as low as half, compared with the other developing areas.

Japan's delegation produced figures for the three-year period from 1964 to 1966 which showed that the average annual aid **per capita** is: Africa $6.10, Latin America—$4.40 and South-East Asia—$3.200. Almost half this amount to South-East Asia was channelled to South Viet-Nam. If this country was excluded, the figure for South-East Asia would drop to $1.8 per head.

When various countries added their comments to the pessimistic annual report on the economic situation in Asia, it was obvious that the past trends were not encouraging and the future was even less so.

The report said that commitments of aid had fallen drastically in 1968 and this decline was dominated by the large reduction in commitments by the United States which, as the most important single donor, exercised a big influence on the policies of other donors.

The report said that US aid in 1968 was 22 per cent lower than in 1967, while one-third of the total was earmarked for Viet-Nam. The drastic reduction in US foreign aid appropriations for 1969 quashed any hope for an increase in aid and unless drastic changes in appropriations were made in the near future the latest cuts would affect disbursements in 1970.

The report also pointed out that some US aid terms had hardened.

The only bright spots in ECAFE's otherwise ominous discussion were reports that flow of foreign assistance to Asia from smaller donors had increased "on terms that are significantly more lenient than those of the larger donors".

The report pointed out that West Germany had increased its aid by an estimated 25 per cent in 1968, while Britain's aid continued to hold at the same level of about £205 million. While devaluation appeared to have reduced the real value of British aid by between five to 10 per cent, there was a large amount of other aid, particularly Kennedy Round food aid, compensatory aid to Malaysia and Singapore and contributions to the International Development Association which were not included in the total of aid from Britain.

The report also mentioned that British aid terms continued to be of the softest possible.

Another encouraging point was the Dutch statement that it planned to increase its technical aid to ECAFE this year and to double the amount in 1970 and 1971.

Decisions:

The session ended on April 28 after adoption of a report on its decisions concerning strategy for the second Development Decade and other matters.

The Commission emphasized its crucial role in promoting regional, sub-regional and multi-national economic and social co-operation within a comprehensive frame-work.

It affirmed the need for adequate resources and authority to formulate and execute appropriate plans and projects.

It recommended specific action by developing countries of the region in regard to production, economic development machinery, and co-operation, and proposed action by developed countries on providing aid and assisting in the growth of export incomes of developing countries.

On the question of mineral resources of the sea, the Commission took note of projects undertaken in the Western Pacific area by ECAFE's Committee for Co-ordination of Joint Prospecting for Mineral Resources in Asian Off-shore Areas, and welcomed the proposal of the Council of Ministers for Asian Economic Co-operation to establish a similar co-ordinating body for countries bordering on the Indian Ocean.

Expansion of the activities of ECAFE's Social Development Division and preparation of integrated policy guidelines and work proposals in the social field were recommended in another resolution. The Commission proposed the strengthening of "integrative context of national development plans.

It endorsed the formation of the Asian Coconut Community, and requested member-countries and the UN family of organizations to give it their fullest support and assistance.

In other resolutions, the Commission marked the 50th anniversary of the International Labour Organization (ILO), and pledged its continued co-operation, particularly in development of the Asian manpower plan; favoured outposting to the Commission of UN Headquarters public administration staff, and continued assistance in improving the administrative capability of the countries of the region; called for participation in long-term oceanographic research and exploration as planned for the International Decade of Ocean Exploration in the 1970s; proposed the early establishment of an Asian Handicraft Centre in Singapore, and sought the assistance and co-operation of all concerned to ensure its effective functioning. The Centre would display and sell handicrafts produced in the various countries of the region and would provide a permanent exhibition where traditional handicrafts could be demonstrated by craftsmen.

Subject to endorsement by the Conference of Asian Statisticians to meet in June, the Commission authorized a study by experts of financial and organizational factors involved in establishing a regional computing centre, and preparation of a plan of action for submission to the next session of the Commission.

The Commission recognized the urgency of setting up such a centre to ensure adequate processing of vital data on population, housing, agriculture, industry and other matters.

Session Ends:

The delegates accepted the invitation extended by Afghanistan to hold the next session in Kabul at a date to be fixed later.

In his final summing up, the Executive Secretary, U Nyun, said the conference had been one of the most inspiring and stimulating ever held.

He said the conference's main achievement had been the adoption of a resolution for development of Asia in the next decade.

He made an earnest appeal to developed countries to extend a helping hand to the poorer nations in their bid for economic prosperity.

He added: "We should work out our own salvation with diligence and determination."

The conference chairman, Mr. S. Rajaratnam, said that progress in the last decade in Asian countries had not been as successful as hoped. Asia should learn from its past mistakes to ensure that the 1970s be a decade of development.

He added that the member-countries should abandon their narrow concept of nationalism. "Let us move away from the philosophy of nationalism towards the philosophy of development—the building of factories instead of palaces."

(**Straits Times**, Singapore, **UN Newsletter** and **The Hindu**, Madras)

[Prev. ref. 8466:AOA:A]

SOUTH YEMEN

A. President Q. M. Al-Sha'abi Resigns: *President Qahtan Mohammed Al-Sha'abi resigned on June 22 after five days of a struggle for power within the ruling National Liberation Front.*

Accordingly, the powers of the President have been vested in a five-man Presidential Council, including the ousted Interior Minister.

President Al-Sha'abi had held the post since the NLF secured the territory's independence from Britain in November, 1967.

Informed sources said that the struggle was touched off when the Interior Minister. Mr. Mohammed Ali Haithem, was dismissed by President Al-Sha'abi on June 18. Journalists in Aden were not allowed to report the dismissal, although it was broadcast by **Aden Radio.**

Aden Radio said that Mr. Haithem had been dismissed by President Al-Sha'abi at the request of Mr. Feisal Abdel Latif, his brother-in-law who became Prime Minister on April 6.

The dismissal of Mr. Haithem, who enjoyed considerable support from the Army and Security forces, had increased tension in South Yemen.

The NLF, since South Yemen's Independence, has been divided between extremists and those advocating moderation as a way to remedy the country's grave economic difficulties. Mr. Al-Sha'abi was believed to be inclined towards the moderates, including the armed forces.

Aden Radio did not make it clear whether President Al-Sha'abi's resignation also meant the resignation of Mr. Latif's Cabinet. Mr. Latif was believed to be left of centre.

On June 23, Mr. Mohammed Ali Haithem (29) was named Prime Minister of the People's Republic, and Mr. M. Ali Rabyee (35) as Chairman of the new five-man Presidential Council.

The decisions were taken by the Supreme General Command of the ruling National Liberation Front (NLF).

Background:

The ouster of President Qahtan Al-Sha'abi and his replacement by a five-man Presidential Council, of which at least three members are pro-Peking extremists, forebodes another cycle of internal upheavals in the country which has not known either political or financial stability since its Independence 18 months ago.

The move to oust him was led by the Interior Minister, Mr. Mohammed Ali Haithem, whom President Sha'abi had dismissed five days earlier. Mr. Haithem was supported by the Defence Minister, Mr. Mohammed Saleh Aulaq, and Mr. Abdel Fattah Ismail, former Minister for Culture, among others.

Mr. Sha'abi and the Foreign Minister, Mr. Seif Al-Dhalei, were considered moderates in the National Liberation Front Government. They had tried to hold an uneasy balance between pro-Peking extremists and Centrists within the Front.

In March, 1968, when extremists got the upper hand in the Front and pushed through a "revolutionary" manifesto, the moderate sections of the Army revolted and forced Mr. Sha'abi to dismiss the extremists from the Government.

One of the casualties was Mr. Abdul Fattah Ismail who had to flee to Bulgaria for "medical treatment," Another was Mr. Aly Salem Al Beidy who was replaced as Defence Minister by Mr. Aulaq.

The Leftists counter-attacked two months later, but were put down by the Army. Two leaders of that rebellion—Mr. Salem Rabih and Mr. Aly Antar—are members of the new Presidential Council which also includes Mr. Haithem and Mr. Abdel Fattah Ismail.

(**The Times**, London, **The Egyptian Gazette**, Cairo and **The Hindu**, Madras)

[Prev. ref. 8097:SAF:A]

THAILAND

A. Baht Revalued: The baht was revalued on June 23 in terms of the American dollar.

The buying rate for the dollar went up from 20.77 baht to 20.875 baht. The selling rate jumped from 20.82 baht to 20.90 baht to the dollar.

The Governor of the Bank of Thailand, Dr. Puey Ungphakorn, said that the increase in the exchange rate was necessary because of the enhancement of discount rates by major banks in industrialized nations.

(**The Statesman**, Calcutta)

[Prev. ref. 5554: THI:A]

VIET-NAM (RVN)

A. American Plans To Pull Out Troops—Midway Island Conference: President R. Nixon of the United States and President Nguyen Van Thieu met on Midway Island on June 8 at the invitation of the American President.

The principal purpose was to review the political, economic and military developments in Viet-Nam and the Paris talks. Their discussions were chiefly private, though they drew on the assistance of senior members of their respective Governments.

After their initial meeting, President Nixon announced that he had ordered the return of 25,000 American soldiers in Viet-Nam. The operation to return the equivalent of a combat division would begin within 30 days and would be completed by the end of August. There are now 540,000 American troops in Viet-Nam.

Both President Thieu and Gen. Creighton W. Abrams, the American commander in Viet-Nam, recommended to him that the withdrawal of 25,000 men could be safely ordered at this time and that South Viet-Namese forces could take their place.

Mr. Thieu said that the rapid progress in training and equipping South Viet-Namese troops made it possible for him to recommend the beginning of the withdrawal of US forces from the country.

Mr. Nixon said that there would be regular reconsiderations of the status of American forces in Viet-Nam to decide on further withdrawals. "No action will be taken which threatens the safety of our troops and the troops of our allies, and no action will be taken which endangers the attainment of our objective of self-determination for the people of South Viet-Nam."

He re-iterated that in re-deploying American troops he would be guided by the three principles he had enunciated in the past. They were: progress in training "South Viet-Namese forces, progress of the Paris talks and the level of enemy activity."

A **communique** issued at the end of the talks said that President Thieu had asked for additional assistance for his plans for further strengthening the South Viet-Namese armed forces.

President Nixon said he would give the request sympathetic consideration.

On the 10-point plan of the National Liberation Front (see page 9001), they said that "there were certain points which appear not too far" from the position taken by Saigon and Washington.

The **communique** said in part:

"The two Presidents examined in detail the military situation in Viet-Nam and received a briefing from Viet-Namese and American military commanders. They agreed that the failure of the other side to achieve its objective should convince it of its inability to gain a victory by military means. They expressed the hope that the other side will realize the futility and dangers of its efforts and that it will accept a solution based on the principle of self-determination for the people of South Viet-Nam.

"They agreed that application of the principle of self-determination requires that the people be able to choose without interference or terror. They rejected communist attempts to pre-determine the outcome of future clections before they are held.

"The two Presidents confirmed their conviction that the form of government under which the people of South Viet-Nam will live should be decided by the people themselves. They re-iterated their common resolve to reject any attempt to impose upon the Republic of Viet-Nam any system or programme or any particular form of government, such as coalition, without regard to the will of the people of South Viet-Nam.

"They declared, for their part, that they will respect any decision by the people of South Viet-Nam that is arrived at through free elections.

"The two Presidents agreed that it would be appropriate to offer guarantees and safeguards for free elections. Provisions for international supervision could be written into the political settlement.

"The two Presidents reviewed with particular attention the steps being taken to modernize and improve the Viet-Namese armed forces. President Thieu referred to the principal of replacement of American by Viet-Namese troops which he had first enunciated in his address to the nation of Dececber 31, 1968, and he expressed pleasure in informing President Nixon that the armed forces of the Republic of Viet-Nam were now reaching the point where they can assume an increasingly large share of the burden of combat.

"President Nixon welcomed this development. He and President Thieu thereafter made an announcement regarding the replacement programme. Both Presidents agreed that the replacement programme should be carried out in consonance with the security situation prevailing at the moment.

"President Thieu explained his plans for further strengthening the local forces and asked for additional assistance for that programme. President Nixon said he would give this 'request sympathetic consideration.

"The two Presidents then discussed the negotiations taking place in Paris. They reviewed carefully the positions each had recently enunciated—President Thieu on March 25, when he made the offer to talk directly with the National Liberation Front, the six points he presented on April 7, and President Nixon's May 14 speech.

"The two Presidents are convinced that the proposals they have put forward represent a reasonable basis for peace. They took note of the 10-point proposal tabled by the other side in Paris on May 8, and observed that, despite the fact that it contained certain unacceptable provisions, there were certain points which appear not too far from the positions taken by the Governments of the Republic of Viet-Nam and the United States.

"The two Presidents expressed their intention to seek a just settlement to the conflict in the spirit of patience and goodwill. President Thieu re-iterated his Government's willingness to talk directly to the NLF about moves relating to a peaceful settlement.

"The two Presidents reviewed and re-affirmed the positions taken in concert by the allies at the recent seven-nation conference of Ministers in Bangkok. They re-iterated, in particular, the allied position concerning mutual withdrawals of non-South Viet-Namese forces, agreeing that withdrawals could commence simultaneously and proceed expeditiously on the basis of a mutually acceptable time-table; that all externally introduced forces would have to be withdrawn not only from South Viet-Nam but also from Laos and Cambodia; and that the further introduction of forces into these countries must be prohibited.

"They agreed that the essential element of any arrangement on withdrawal of non-South Viet-Namese forces is that there be adequate assurances and guarantees of compliance with the terms of the arrangement.

"President Thieu informed President Nixon that his Government was devoted to the principle of social and political justice for the people of South Viet-Nam. The policy of national reconciliation had been adopted with this in mind. His offer to negotiate directly with the National Liberation Front—without conditions—had been inspired by this principle.

"If the other side is genuinely interested in finding peace, it should be possible to create an atmosphere in South Viet-Nam in which all of the people of South Viet-Nam can participate in the life of a free, viable, and prosperous State.

"The two Presidents discussed the progress that has been made in economic and political development in Viet-Nam despite the present conflict, including the installation of the Supreme Court and the inspectorate provided for by the Constitution, the widespread holding of village and hamlet elections, and the extension of security in rural areas.

"President Thieu outlined his Government's plans for additional village and hamlet elections and he laid particular stress on his pursuit of a vigorous land re-distribution programme that would give the land to those who work it. President Nixon expressed gratification at this progress, expressed special interest in the new concepts of land distribution developed by President Thieu and offered American cooperation to help achieve it.

"Finally, the two Presidents reviewed the plans now being formulated by the Republic of Viet-Nam for the post-war development of the country. They expressed gratification that, despite the continuation of the conflict, plans were going forward. Given the substantial natural and human resources available, the prospects are excellent for conversion to a peace-time economy, job opportunities, increased domestic production in agriculture and industry, as well as exports.

"President Thieu asked President Nixon for his country's assistance to this end. Economic self-sufficiency could be achieved in a decade of peace. The two Presidents looked forward, after the termination of hostilities, to an era of peace and the economic and national development of South-East Asia."

Hanoi's Condemnation:

North Viet-Nam on June 9 described as a "crude farce" the announcement of President Nixon and President Nguyen Van Thieu on withdrawal of 25,000 troops from South Viet-Nam by the end of August.

A spokesman for the Hanoi delegation to the Paris peace talks asserted that the Midway meeting between the allied leaders showed more clearly than ever "the obstinacy with which the Nixon Administration clings to its policy of aggression and neo-colonialism."

The spokesman said that President Nixon was merely walking in the steps of his predecessor Lyndon B. Johnson.

In Moscow, **Tass** *described the US pull-out plan as a step to stifle domestic dissent and camouflage US "unwillingness to make a serious political decision" to end the war. It said the number of troops to be withdrawn was "only a drop in the sea."*

It complained that the withdrawal *did not involve a de-escalation of US military activity in Viet-Nam, nor the start of a complete withdrawal of American troops.*

President Thieu's Opposition To Coalition Proposal:

President Nguyen Van Thieu, on his return from the Midway talks, on June 9 re-affirmed that South Viet-Nam would never accept a coalition government.

With a firm pledge of no coalition government, no peace Cabinet and no transition government, he stated: "I will not sacrifice the lives of 17 million Viet-Namese people, because as President I am pledged to protect the Constitution."

Prior to appearing before cameras and newsmen at the Presidential Palace, he had talks with the Prime Minister, Mr. Tran Van Huong, the Presidents of the two Chambers of Parliament and the President of the Supreme Court.

In answer to questions, President Thieu hinted that he would agree to modifying the Constitution to permit the national elections called for in Mr. Nixon's eight-point peace plan of May 15.

"Everything is negotiable", he said, "but Saigon could not be expected to change its Constitution unless the other side shows goodwill at the Paris conference". "We must wait", elections must be "free, democratic and free from foreign interference."

The present Constitution provides for no further national elections before 1971.

He re-iterated his offer to hold "direct" and private talks with the National Liberation Front and said he and Mr. Nixon had agreed on "two basic principles: nothing should be done which would harm security of American and allied forces, nor which would infringe on the self-determination of the South Viet-Namese people."

Troop Withdrawals From Laos And Cambodia — Bangkok Conference's Suggestion:

Foreign Ministers of the seven nations fighting in Viet-Nam on May 22 suggested in Bangkok that the proposal to withdraw foreign troops from South Viet-Nam should be extended to include Laos and Cambodia as well.

The Ministers were from Australia, New Zealand, USA, South Korea, the Philippines, Thailand and South Viet-Nam.

In a **communique** issued at the end of a one-day conference, they said they viewed with grave concern the continuing presence of a large number of North Viet-Namese troops in Laos and their use of Laotian territory in violation of the 1962 Geneva Agreement.

They agreed to continue their active support to South Viet-Nam until such time as a peaceful solution was reached, and agreed that any troop withdrawals should be carried out only on a reciprocal basis.

In general, the Ministers were agreed on the major issues at stake and moves necessary to improve the situation.

The **communique** said the Ministers reviewed the current Paris peace talks and agreed that troop withdrawals could commence simultaneously and proceed expeditiously on the basis of a mutually acceptable time-table.

They also agreed that all foreign forces would have to be withdrawn not only from South Viet-Nam, but also from Laos and introduction of new forces must be prohibited.

(The New York Times, The Times, London, **Tass** and **The Statesman,** Calcutta)

[Prev. ref. 8999:RVN:A]

B. NLF Forms "Provisional" Government: The National Liberation Front (NLF) announced in a statement in Paris on June 10 that a "Provisional" Revolutionary Government had been set up in a "liberated area" in South Viet-Nam.

The announcement said that the Government had been formed at a congress held between June 6 and 8.

A spokesman of the Front said that the congress was attended by representatives of NLF, the Alliance of National Democratic and Peace Forces and other "patriotic organizations." The Alliance, which aims its appeal at the middle classes, including professional men and intellectuals, had been repeatedly praised by Hanoi.

Action Programme:

The head of the permanent mission of the NLF in Hanoi, Mr. Nguyen Van Tien, held a news conference on June 11 at which he read out a "Declaration of the Programme of Action of the Provisional Revolutionary Government."

He said the Revolutionary Government's Action Programme had been adopted by a Congress of People's Representatives. The Programme set the aim "to rally the armed forces and the entire people of South Viet-Nam; to step up military and political struggle; to defeat American imperialists; to demand of the United States the holding of serious talks with the 'Provisional' Revolutionary Government of the Republic of South Viet-Nam at the Paris peace talks on the basis of the ten-point programme of the National Liberation Front; to compel the United States to withdraw unconditionally its troops from South Viet-Nam and to put an end to the war."

The Programme stressed the need "to liquidate the Saigon regime; to create a genuinely democratic and free republican system; to hold General Elections on the basis of the principles of equality, genuine freedom and democracy, and without foreign interference." The Programme envisaged the creation of a provisional coalition government representing the interests of all segments of the population.

The Programme sought restoration of normal relations between South and North Viet-Nam; promotion of a foreign policy of peace and neutrality; establishment of diplomatic, economic and cultural relations with all countries, irrespective of their political and social system, including the United States, on the basis of the five principles of peaceful co-existence.

South Viet-Nam, it said, would refrain from joining military blocs and would not allow any State to have military bases, troops and military personnel on its territory.

President Ho Chi-minh of North Viet-Nam called the setting up of the Revolutionary Provisional Government an "important event of historic significance.

Hanoi Radio said that the Revolutionary Provisional Government had a National Flag, National Anthem and motto. The Liberation Front's banner—a star on a red-and-blue background—had been adopted by the Provisional Government.

The Radio announced that the Front's Chairman, Mr. Huynh Tan Phat, had been named Prime Minister, Mrs. Nguyen Thi Binh, delegate to the Paris peace talks, as Foreign Minister and Mr. Luu Huu Phuoc as Information Minister.

Ten junior Ministers had been named in a Provisional Government of 24.

In Paris, the NLF delegation at the Viet-Nam peace conference became "the delegation of the Provisional Revolutionary Government," and proclaimed that it intended to negotiate with the United States as such.

The Provisional Government was "the supreme executive organ of South Viet-Nam", Mr. Tran Buu Kiem, outgoing leader of the NLF delegation, told a news conference. The Provisional Government desired diplomatic relations with all countries, including USA.

American Reaction:

The US State Department on June 11 dismissed the newly-formed "Revolutionary Government" as "simply a case of old wine in a new bottle."

It said in a statement that creation of the so-called "Revolutionary Government" by the National Liberation Front, political arm of the Viet-Cong, would have no effect on the US negotiating position in the Paris peace talks.

The US State Department spokesman, Mr. Robert J. McCloskey said at a news conference that the United States and South Viet-Nam negotiated there only with "the other side"—meaning North Viet-Nam and NLF, or NLF's "Revolutionary Government, if that was what it chose to call itself. Negotiating with them in no way implies recognition."

In a prepared statement which he read out, he said the US Government had taken note of the creation of the so-called "Provisional Revolutionary Government."

He said: "The roster of members would indicate that this is simply a case of old wine in a new bottle.

"Of the names listed, all have been associated either with NLF or the so-called Alliance for National Democratic Peace Forces, which was established by the Communists after the Tet offensive last year, and the new organization does not amount to any broadening of the old NLF Alliance base.

"We doubt that the new organization will achieve any greater success than its predecessors and the important fact is not, after all, what the other side chooses to call itself."

Moscow Summit's Support To NLF:

On June 10 in Moscow, the Communist Summit Conference in the first official document it adopted proclaimed solidarity with the Viet-Namese people. It expressed support for the National Liberation Front's 10-point peace programme "as a contribution to the work of restoring peace in Viet-Nam".

It proposed that July 20, the 15th anniversary of the Geneva Agreements, be marked as a "day of solidarity with Viet-Nam and the halt of American aggression."

The document called on the United States to end its "obstructionist" positions at the Paris peace talks. USA must also immediately stop "its aggressive actions in Viet-Nam and completely and unconditionally withdraw from South Viet-Nam its own troops and those of its satellites."

Viet-Nam must be recognized by USA as having the right to settle its problems without outside interference, USA "must end all actions directed against the sovereignty and security of North Viet-Nam and must cease intervention and aggression in Laos and violation of Cambodia's territorial integrity." USA must also scrupulously observe the 1954 and 1962 Geneva Agreements.

It said that Thailand, New Zealand, Australia, South Korea, West Germany and Japan must end their "overt or disguised involvement in the US aggression in Viet-Nam."

On June 12, at the peace talks in Paris, Madame Nguyen Thi Binh, speaking as the Foreign Minister of the NLF Government, declared "readiness to continue negotiations with other parties of the conference."

Madame Binh formally declared that NLF had transferred all its State functions, including control of the delegation at the peace talks, to the Provisional Government.

She asserted that the United States was trying to maintain its "neo-colonialist domination" in South Viet-Nam and said this was again demonstrated by the Midway Island meeting between President Nixon and President Nguyen Van Thieu. She described the Midway meeting as "a political farce staged by the United States."

The South Viet-Namese Ambassador, Mr. Pham Dang Lam, circulated a Press statement formally declaring his Government's non-recognition of the Provisional Revolutionary Government.

Mr. Lam recalled that South Viet-Nam had agreed to take part in the conference on the condition that it was between two sides and that it had never recognized NLF as anything but "an instrument created by North Viet-Nam over South Viet-Nam by force.

"Any modification of the designation, structure or composition of this organization is an internal affair of the North Viet-Namese Communist camp and can in no way alter the nature of the meeting."

(The New York Times, Consulate-General of the Democratic Republic of Viet-Nam and The Hindustan Times, New Delhi)

[Prev. ref. 8927:RVN:A, 9000:RVN: A]

ASIA OUTSIDE ASIA

A. UNDP Assistance: In a review of the United Nations Development Programme (UNDP), made public on June 1, the Administrator, Mr. Paul Hoffman, said that $242.7 million had been spent during the past decade for large-scale pre-investment projects and smaller technical assistance activities among 33 countries in Asia.

The rest of the allocations were as follows: Africa—$288 million among 44 countries and territories; The Americas—$206.2 million among 37 countries; Middle East—$55.1 million among nine countries; Europe —$48.6 million among 14 countries; and Inter-regional $30 million.

In addition to the money provided by the UNDP, countries receiving assistance from the Programme contributed $1,500 million in cash and kind for projects during the same period.

India was the largest recipient under the Programme. From 1959 to date, 50 major pre-investment projects had been approved for India with a total Special Fund allocation of $50 million (foreign exchange) and the counterpart contribution from the Government of India in rupees was equivalent to $123 million.

India was also one of the most generous contributors to the UN Development Programme. Over the decade, India had contributed the equivalent of $18 million to the Special Fund Programme.

By sectors, the largest allocation of funds went to agricultural activities in all regions, except Europe, where equal amounts were devoted to agricultural and industrial projects.

The expenditures during the past decade were divided among the various sectors as follows: Agriculture $253.8 million; industry $174.1 million; education and science $129.8 million; public utilities $108.2 million; health $72.0 million; multi-sector $53.0 million; public administration and other services $51.8 million; social welfare $17.1 million; housing, building and physical planning $13.1 million.

Mr. Hoffman stated in the report that the period had been marked by accelerating growth in assistance to "virtually every sector of the developing countries."

Steady increases in voluntary *contributions*, which rose from *$55.2 million* for the year 1959 to *$103.5 million* for 1968, made this expansion possible. By 1968 the number of donor countries had reached 119, compared with 82 in 1959.

"The noteworthy aspects of the *pattern of voluntary contributions were an unbroken series of increases in their total value from year to year throughout the decade,*" the report said. Over the 10-year period, contributions totalled $1,268 million, covering 90 per cent of the $ 1,407 million earmarked for projects.

These resources supported large scale pre-investment projects and technical assistance undertakings in such major fields as resource surveys and feasibility studies, education and technical training, applied research, and development planning.

According to the report, 69 of the pre-investment projects—which cost the UNDP $61 million—had attracted, either directly or indirectly, follow-up investment of some $2,800 million (of which $800 million came forward during 1968). Of the total, $2,500 million was to finance development schemes recommended by 57 UNDP-assisted surveys and feasibility studies. The remainder was generated by 12 training and research projects.

More than 73 per cent ($2,050 million) of this follow-up was in the public utilities sector, some $1,700 million being for the construction of power facilities in Argentina, Brazil, India, Laos, Nigeria, Sudan and Thailand. Other follow-up investment was recorded in such sectors as transportation ($271 million); tele-communications ($62 million); agricultural development scheme ($577 million); and industrial plants ($201 million).

(UN Newsletter)

[Prev. ref. 8320:AOA:R, 8668:AOA: H]

B. **Irish General Elections:** Ireland's ruling Fianna Fail party emerged with another absolute majority in the General Elections on June 18.

The Fianna Fail (soldiers of destiny) had ruled for the past 12 years. It had a majority in Parliament for 32 of the past 37 years.

The Election upset all predictions. Mr. Jack Lynch, the Prime Minister, scored a runaway victory in the Cork constituency, doubling his vote. All his Ministers were reelected.

From the 144 seats the as-you-were Election showed the ruling party with 73, Fine Gael 48, Labour 17, and Independent one.

In the last Parliament, Fianna Fail had 74 seats. Fine Gael (the Irish Party), had 46 and Labour 18.

Voting indicated that Ireland's political parties were still *painfully re-grouping after historical divisions of past generations.* Labour had emphasized modern issues like the European Common Market and had sought to soft-pedal bitter memories of "the troubles" in 1916.

(**The Times**, London and **The Statesman**, New Delhi)

C. **France's New President:** Mr. Georges Pompidou, Gen de Gaulle's Premier for six years until July, 1968, was elected on June 15 as the 19th President of France.

Mr. Pompidou received 58 per cent of votes cast in the run-off round of the Presidential election.

He assumed office on June 19. His term will run for seven years.

Mr. Alain Poher, the **Interim** President of the Republic since Gen. de Gaulle resigned on April 28, received an estimated 42 per cent.

The Communist Party, hoping to assert its control over France's divided Left, had called for voters to stay home, saying that both middle-of-the-road candidates were reactionary. The call apparently worked on quite a few voters.

(Le Monde, Paris)

[Prev. ref. 9025:AOA:H]

D. **Future Of Monetary System —BIS Report:** Gloomy predictions for the balance of the world's monetary system came from the Bank for International Settlements (BIS) in its annual report released on June 9.

The BIS, sometimes called the central banker's central bank, gave its view of the future in a 189-page report, which covered the 12 months up to March 31.

The report said that the international monetary system apparently would continue to operate "under somewhat uncertain and unstable conditions." What remained to be seen was whether bad money would drive out the good, and what the bad money would prove to be—gold, dollars or the new Special Drawings Rights—the "paper gold" which may be issued this year for the first time.

The report named four countries —the United States, Britain, West Germany and France—as the "key sources of imbalance" in the world monetary situation.

Though the world's reserves rose by $2 billion in the period 1967-68, this growth had depended on monetary disturbances. These assets also created liabilities, which creditor countries would not ignore.

The report noted that in 1968, world exports for the first time exceeded $200 billion—more than twice the figure of 10 years before. The increase for the year was an unusually high 11 per cent, due largely to expansion in the United States and West Germany.

Another important feature of the year was the expansion to $25 billion in the total borrowing of Euro-dollars—American dollars held outside the United States. (The BIS is the recognized source for basic figures on the Euro-dollar, a new major force in world finance.)

It sounded a pessimistic note on the United States foreign economic problem which, it said, would not be solved just by stopping inflation since it had a persistent deficit in its international accounts before the inflation started.

(**The Times**, London and **The Times of India**, New Delhi)

[Prev. ref. 8015:AOA:D, 8430:AOA: C]

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CAMBODIA

A. Relations With USA: It was officially announced in Pnom Penh on June 2 that Cambodia had reached agreement with USA to resume diplomatic relations at Charge d'Affaires level.

The Secretary of State Mr. William Rogers, the same day (June 2) described the agreement as a "positive step ... towards peace in South-East Asia."

Twenty-four hours after the announcement by Mr. William Rogers, the US military command in Viet-Nam admitted for the first time that it had bombed and shelled communist troops in Cambodia during its action to defend the beleaguered Special Forces camp at Ben Het recently.

Before Cambodia was recognized again, the American command did not confirm any of the reports that communist positions over the Cambodian frontier were being hit. On June 3, the senior American adviser at Ben Het, Col. George Miller, referred to such action. The command itself said that a few enemy guns had fired at Ben Het from over the frontier. "Allied forces operating in the area immediately returned the fire with artillery and tactical air strikes."

Cambodia had severed relations with the United States in 1965 because of US air raids on Cambodian border villages where the Viet-Cong were suspected to have found sanctuary.

Reported Viet-Cong Pledge To Withdraw Troops:

Western Press reports quoting **Pnom Penh Radio** on June 22 said that the Viet-Cong had undertaken to withdraw whatever troops it had in Cambodian territory.

It quoted at length from remarks it said the Head of State, Prince Norodom Sihanouk had made in a speech in Svayrieng Province bordering South Viet-Nam.

[Svayrieng Province borders South Viet-Nam across from Tay Ninh Province, long a primary infiltration area for Viet-Cong and North Viet-Namese troops.]

"The other day," the Prince was quoted as saying, "I asked them (the Viet-Cong) to sign a paper saying that while fighting the Americans they had scattered into certain areas of Khmer (Cambodian) territory...

"I told them, you must sign the promise that once the war on the other side (Viet-Nam) is over, all of you must withdraw.

"Now the Viet-Cong have signed, pledging strict respect for Khmer territory...and promising once peace has been restored over there that they will no longer dare to stay on Khmer territory but will leave it immediately. That is what their Ambassador has put down in writing."

He was presumably referring to Mr. Nguyen Van Hieu, ambassador to Pnom Penh of the new Provisional Revolutionary Government of South Viet-Nam. He recognized the organization a week before.

(The International Herald Tribune, Paris)

[Prev. ref. 6460:CAM:A, 9003:CAM:A]

CHINA

A. Administrative Reform: According to a Peking despatch circulated by **Agence France-Presse** on July 9, a significant administrative reform appears to be going on throughout China to assert party control over the structures which had emerged from the Cultural Revolution.

Since the party's return to the front of the political stage with the Ninth Party Congress in April, party committees have begun emerging inside the revolutionary committees—the administrative legacy of the Cultural Revolution—at provincial and municipal level.

The trend is towards at least partial relegation of "representatives of mass organizations"—one of the three components of revolutionary committees, along with "revolutionary party cadres" and the military—to the role of liaison agents between the party and the bulk of the people.

The goal would be to assure more respect for instructions issued in Peking. The military would presumably remain predominant, but it is noted that the soldiers who invariably lead revolutionary committees are also party members.

Tripartite revolutionary committees were set up throughout the country at the various administrative levels in 1967 and 1968, replacing former administrations. They were first commonly described as "provisional", but this term has disappeared from the official Press.

Instances have been known of difficulties between the central authority and Revolutionary Committees. A vigorous Press campaign has recently insisted on the absolute primacy of the party, in particular over the "representatives of the masses"—of workers, "poor and lower middle peasants" and Red Guards, among others—which played the leading role in setting up the Revolutionary Committees.

"Revolutionary mass organizations must all accept the leadership of the party," the three principal official newspapers said in a joint editorial on July 1, the 48th anniversary of the party's foundation. The article attacked "self-styled heroes" who, it said, were "infatuated with sectarianism".

On June, 27, the **People's Daily** reported the organization in Shensi Province of training stages in the thought of Mr. Mao Tse-tung for "revolutionary workers" and Red Guards.

"During the great Cultural Revolution most of these people earned the praise of the masses", the newspaper said, "and most became members of Revolutionary Committees at the various levels. But some had the misfortune to succumb to pride," and the training stage was designed to help them to correct the mistaken view that they were "the only Leftists" and "the only revolutionaries".

(The Times, London)

[Prev. ref. 8967:CHI:A]

B. Border Talks With USSR To Continue: The Soviet news agency **Tass** reported on July 13 that in Khabarovsk the Chinese sides had flatly refused on the previous day (June 12) to continue the negotiations on river navigation along the Far Eastern frontier and had made "malicious attacks" on the Soviet side.

However, the same afternoon, **Tass** reported that the Chinese delegation to the talks had told the Soviet side that "contrary to statements of July 12, it was decided to remain in Khabarovsk and agreed to the continuation of the Commission's work."

[The Russians and Chinese had begun discussions, on June 18, officially as members of the mixed Soviet-Chinese Commission on shipping on the border rivers of the Amur basin. That Commission was set up in 1951 following a Treaty of that year regulating traffic on the Amur, Ussuri, Argun and Sangacha Rivers and Lake Hanka, which comprise the Far East frontier. In recent years the Commission reflected the growing strain in Soviet-Chinese relations. According to Moscow, in 1967 the Commission's work was disrupted by Peking's attempt to turn the Navigation Commission into a sounding board for China's argument that the Soviet Far Eastern territory was annexed *from China in the 19th century as the result of unequal Treaties forced on the Chinese by* Czarist Russia. The Commission did not meet in 1968.]

Prior to the talks, the Chinese and the Russians had accused each other of stirring up border trouble that had erupted into bloodshed on the Ussuri River in March, and both sides urged a diplomatic solution to their differences.

According to **Tass**, the Chinese had been raising issues in the work of the Commission not concerned with river navigation. "During the Commission's work, the Chinese delegation raised the question of so-called 'unequal' treaties, made... slanderous statements, issued threats, etc."

It said the leader of the Chinese delegation had "refused to continue the conference. In doing so, he distorted the real state of things at the conference and made malicious attacks on Soviet representatives. The leader of the Soviet delegation urged the Chinese side to continue the conference, but the Chinese representative flatly refused."

But, on July 13, **Tass** said the Chinese had agreed "to discuss plans for traffic maintenance work for 1969 and a new wording of the regulations for shipping on both sides of the border sections of the rivers."

Fresh Incident:

Meanwhile, the Soviet Defence Ministry paper, **Krasnaya Zvezda (Red Star)** said that sailors from the Soviet Pacific fleet were holding training exercises on the Amur River and were ready to rebuff any aggressor.

The article was obviously related to an incident on the Amur River a week earlier in which the Russians claimed that the Chinese had killed one river worker and wounded three in an unprovoked attack.

China on July 8 released the text of a protest Note accusing the Soviet Union of provoking a new "armed conflict" on the border between the two countries. It related to the latest incident on the Amur River.

Peking asserted that Soviet troops had landed on a Chinese island and fired on Chinese workers and militiamen before they were repulsed. It said the Russians had later returned, supported by gunboats, and burned down a civilian house.

A subsequent report by **Hsinhua** said that the gunboats fired heavy machine guns and cannon "for six minutes." The Chinese did not report any casualties. But, the Soviet version, issued by **Tass**, accused the Chinese of shooting and killing an unarmed river transport worker and wounding three others.

Marshal Lin Piao Attacks Soviet Leadership:

The Vice-Premier and Defence Minister, Marshal Lin Piao on July 9 attacked the Soviet Union for organizing a World Communist Conference, which was a sinister meeting "directed frantically against China and Albania."

It was the first direct Chinese comment on the 75-party Conference, held in Moscow in June.

He made his comment in a message of greetings to Mr. Beqir Balluku, his Albanian counterpart, on the 26th anniversary of the founding of the Albanian People's Army.

He said that the Moscow meeting was "single-handedly engineered" by the Soviet leaders. He described it as a "sinister anti-Communist, anti-popular and counter-revolutionary" meeting.

He said that Mr. Leonid I. Brezhnev, General Secretary of the Soviet Communist Party, had "made frantic war cries at the sinister meeting, thus further revealing the hideous features of Soviet revisionism and social-imperialism."

Russian Accusation:

Meanwhile, the Soviet Union accused China of perpetrating "the most terrible act of treachery in history", and said that West Germany and the United States were manipulating the Chinese in order to surround and isolate Russia.

An article in the weekly newspaper **Literary Gazette,** published on July 9—the day after the armed clash on the Amur River—accused Mr. Mao Tse-tung of seeing himself as an Asian Bonaparte who dreamed of conquering neighbouring countries "almost as far as the Black Sea."

The **Literary Gazette** article said that Mr. Mao was successor to Mr. Churchill, Adolf Hitler, and Mr. J.F. Dulles, all of whom had tried to encircle the Soviet Union at various times. The Americans and "West German revanchists" were looking for an ally in the East to fill the gaps in their present system of treaties.

The newspaper asserted that China was planning to seize or subvert the Mongolian Republic, Korea, Viet-Nam, Cambodia, Laos, Burma, Indonesia, and even India and the Arab countries. Mr. Mao wanted to start a third world war to put his plans into effect.

It said Mr. Mao may "yet become the accomplice of the hawks in the West which are trying to push the world — and, first of all, China — to catastrophe."

(**The New York Times,** Tass and **The Times**, London)

[Prev. ref. 9004:CHI:A]

FORMOSA

A. Foreign Investment: According to the Foreign Investment Screening Commission, foreign investment in Formosa during the January-May period totalled $43,300,000—an increase of $19,000,000 over the same period in 1968.

The total investment included 56 projects from overseas Chinese and 77 from foreigners.

Most of the overseas Chinese investments were made in the service industry, such as the hotel business, totalling $10 million.

Foreign investors were interested in the electronics industry, which attracted $26 million. The food processing industry and the plastic industry also drew considerable foreign capital.

The Commission approved 31 applications for technical co-operation between domestic and foreign manufacturers during the same period

These covered the electronics, chemical and machinery industries.

(**Free China Weekly**, Taipeh)

[Prev. ref. 8247:FOR:A]

INDIA

SUMMARY: A-ICC Session; Foreign Trade; Police Firings In West Bengal; Oil Exploration; National Animal.

A. A-ICC Session—Resolution On Economic Policy And Organizational Changes: The All-India Congress Committee (A-ICC) met in Bangalore on July 10, 11, 12 and 13 and took certain decisions on the economic policy and changes in the Congress Party constitution.

The Committee took up first the question of economic policy. Its Working Committee had earlier asked Mr. C. Subramaniam and Mr. Sadiq Ali to draft a resolution on the subject in the light of the Panel discussion at the Faridabad (annual) session of the Congress and a subsequent discussion by the Congress Working Committee.

But, Mrs. Indira Gandhi had, in the meanwhile, prepared a, Note on the subject and placed it before the Working Committee. It evoked considerable discussion, and a new brief resolution was drafted, with Mrs. Gandhi's Note appended to it, and placed before the A-ICC. In spite of his differences with the resolution and Mrs. Gandhi's Note, Mr. Morarji Desai persuaded himself to move the resolution and Mr. Y. B. Chavan seconded it. It was passed after two days' discussions on July 12.

Resolution On Economic Policy:

The following is the text of the resolution:

"There has been a good deal of discussion in the Congress organization regarding the economic and social policy and the direction to be given in the economy to reach the socialist goal which the Congress is pledged to achieve.

"The Note by the Prime Minister which is appended to this resolution broadly sets out the policies to be pursued and steps to be taken for the purpose of improving the performance of our economy in industry and agriculture and, at the same time, ensure that the process of economic development does not lead to concentration of wealth and economic power in a few hands.

"At the same time, it is necessary to set in motion social forces which will bring about improvement in the standard of living of the tens of millions who today live in subsistence or even lower than subsistence level and the aspect of social justice does not get clouded. Some of the programmes are already in the process of implementation. The A-ICC welcomes the Note of the Prime Minister and calls upon the Central and State Governments to take necessary steps expeditiously to implement the various points mentioned in the Note.

"A report may be submitted to the A-ICC regarding the various decisions taken and steps initiated to implement these programmes."

Mrs. I. Gandhi's Note:

The following is the Note on Economic Policy and Programme by Mrs. Gandhi:

"The time has come to re-state our economic policy and set the direction in which we have to move to achieve our social goal. This has become all the more necessary in view of doubts that have been raised with regard to our intentions and our willingness to take the hard and difficult steps which are necessary. In respect of many of the items, some steps have already been taken, but what is important is to intensify our efforts and to keep the social goal all along in the forefront.

"The Congress has always championed the cause of the weaker sections, minorities and the underprivileged. This should continue to be the policy of the Congress (and take the following steps):

"(a) Impose ceiling on unproductive expenditure and conspicuous consumption of corporate bodies;

"(b) Nationalized financial institutions should introduce a change in credit-worthiness criteria in their lending policies, so as to encourage professional and competent persons;

"(c) Special efforts should be made to finance new entrepreneurs in less developed regions and a special fund should be provided for provision of assistance to backward regions;

"(d) Expeditious appointment of Monopolies Commission manned by persons of integrity;

"(e) Public sector projects should be given more autonomy and manned by young competent persons committed to the project;

"(f) Special effort should be made to build up a cadre of public sector projects;

"(g) The consumer industries should be reserved wherever possible for development in tthe co-operative and small-scale sector and entry of big business should be banned in the manufacture of these products;

"(h) Special efforts should be made to encourage new talent to provide avenues of employment to the young and educated;

"(i) Foreign capital should not be allowed to enter fields in which local technical know-how is available; and

"(j) Heavy penalties should be imposed on those who indulge in restrictive trade practices.

"There are other suggestions which may not fit within the present policy frame-work. However, I have already asked the Finance Ministry and the Planning Commission to look into the feasibility of imposing ceilings on incomes and holdings of urban properties.

"There is strong feeling in the country regarding the nationalization of private commercial banks. We had taken a decision at an earlier A-ICC (session), but perhaps we may review it. Either we can consider the nationalization of the top five or six banks or issue directions that the resources of banks should be reserved to a larger extent for public purposes. Investments of banks in Government securities stood at 24.75 per cent on June 13, 1969. This figure of investment in securities could be raised by five per cent. This will make available about Rs. 200 crores for the public sector. Against this, it may be argued that this will involve denial of credit to trade and industry and will also affect the profitability of banks. But in times of credit squeeze, private industry somehow adjusts itself. They mobilize deposits on their own, cut their inventories, or bring in unaccounted money and somehow manage. The question whether banks' investment in Government securities should not be raised has to be seriously considered. If necessary, this extra five per cent can be invested in special types of securities, proceeds being utilized for quick-yielding schemes like minor irrigation programmes, rural electrification, fisheries etc.

"While it may not be practical to nationalize all import and export, can we not consider the nationalization of the import of raw materials? This would make collective bargaining possible and might get us better prices. The policy of the distribution of such import licences should also be reviewed. We should review the licensing system so that licences are not given only to the bigger (business) houses. Shares could be distributed more equitably.

"I fully realise that over-all development is the best and the only reliable way of increasing employment opportunities. However, the situation is so acute in the country that it has become necessary to have some special programmes to give employment in the rural areas as well as to the educated. Naturally, whatever scheme we think of cannot be adequate to meet the situation, but it should give the impression that we are taking a first step and making a genuine effort.

"I make the following suggestions:

"Agriculture:

"(a) Service co-operatives should be built up in rural areas;

"(b) Special assistance should be provided to small agriculturists and farm co-operatives to enable them to take processing of agro-based and other industries;

"(c) Special attention should be paid to development of *minor irrigation projects etc.*

"Land Reforms:

"Land reform is no less important. If we do not act urgently, grave political and economic problems will arise. From time to time suggestions have been made to improve the lot of the tenant and of landless agricultural labour, (such as):

"(1) Declare all tenancies as non-resumable;

"(2) Give tenants the right to mortgage their interest in land for obtaining credit;

"(3) Place restrictions on sale of land by Scheduled Castes and Scheduled Tribes and Backward Classes in favour of others;

"(4) Enforce ceiling on land holdings energetically;

"(5) Draw up a programme for distribution of Government waste-land and lands held by Panchayats;

"(6) Enact legislation to protect tenants, agricultural workers from their house sites.

"If these points are agreed to, the following minimum programme is indicated;

"(1) A tenant should not be liable for eviction as long as he pays his rent regularly. Provision to this effect exists in tenancy laws of most States, but the law is not enforced effectively. States should be asked to set up special machinery for effective implementation of this measure. Penalties should be suitably enhanced.

"(2) There should be a proper record of rights of tenants.

"(3) Land ceiling laws already implemented should be enforced.

"(4) Restrictions could be placed on purchases of land belonging to Scheduled Castes and Scheduled Tribes, but whether similar restrictions could also be placed on land belonging to Backward Classes is doubtful. The list of Backward Classes is pretty long in many States.

"The suggestion that tenants should be also given the right to hypothecate their interest in land to obtain credit for agricultural development may meet with resistance. There would be no serious objection to credit being made available for short-term purposes, for example, seeds, fertilizers etc., on the security of the crop. But, in regard to long-term loans for such purposes as sinking of wells, installation of pump sets etc., landlords may well insist on their consent being obtained.

"A review of agricultural wages is also called for in the light of increased yields now obtaining. Minimum wages for agricultural labour may have to be prescribed for each tract and enforced. This will enable landless labourers to participate in the fruits of the green revolution."

Action Against Marxist State Governments Demanded:

Earlier, on July 10, a sizable section of the A-ICC demanded the banning of the CPI (Marxist) in the light of the open declaration of the Kerala Chief Minister, Mr. E.M.S. Namboodiripad, and the Marxist leader, Mr. A. K. Gopalan, that their party's objective in assuming power in States like Kerala and West Bengal was not to provide good administration but to subvert and wreck the Constitution and destroy the democratic system.

The Congress President, Mr. S. Nijalingappa, commented that it was high time that "we took such steps as to put a stop to all this, particularly after these people have taken a solemn oath to abide by the Constitution."

Mr. Nijalingappa also urged that it was the bounden duty of all democratic parties in the country to see that the communists were not allowed to carry on as they liked to achieve their avowed objective of creating chaos.

A reference to the Marxist leaders' thesis was contained in an adjournment motion tabled by a Kerala delegate, Mr. A. C. George. He wanted the Committee to take note of the "dangerous situation" created by the statement.

Mr. Nijalingappa read out the Marxist leaders' joint statement which was a confirmation of the statement made by Mr. B. T. Ranadive in London and a reply to the criticism made of it by the Right Communists. Both the CPI and the Muslim League partners in the United Front Government in Kerala had taken exception to Mr. Ranadive's statement.

Changes In Party Constitution:

The A-ICC then took up (on July 10) the various amendments suggested to the party constitution. Mr. S. K. Patil explained the various amendments that had been accepted by the Working Committee and those that had been left for the acceptance of the A-ICC.

The most important of these related to the method of election of delegates and PCC members. Mr. Patil pointed out that while direct election of delegates and PCC members by primary members would conform to the purest form of democracy, there were certain practical difficulties in organizing such elections, monetarily and otherwise. One of the suggestions, therefore, was that primary members could elect 50 members to the constituency committee and the latter should form the electoral college for elections at higher levels.

Mr. Patil justified his committee's proposal to increase the membership fee from four annas to eight annas on the ground that, in the first place, the value of four annas had changed since that fee was introduced in 1920 and, secondly, the party had to have a built-in system of fund collections especially after the amendment of the Company Law banning donations to political parties and for political purposes.

Sharp differences on several aspects of the party constitution were ventilated during the discussion, which remained inconclusive. Responsible group leaders from various States feared the party would completely disintegrate if necessary corrective measures were not taken.

How sharp were the differences on some of the vital issues in the party could be noticed when Mr. Patil criticized the law recently adopted by Parliament prohibiting company donations to parties. He hinted that the law might be challenged in a High Court or the Supreme Court on the ground that it offended the fundamental rights.

On another part of the constitution, the delegates had their way on July 11 when they compelled the High Command to surrender to their demand to amend the party constitution to provide for ten of the 21 members of the Working Committee being elected instead of seven as at present.

There was initial resistance from the Congress President, Mr. S. Nijalingappa, and Mr. S. K. Patil, who was putting to vote the various constitutional amendments as suggested by the Committee on re-organization and endorsed by the Working Committee. But they both gave in after taking note of the temper of the overwhelming majority of the delegates.

The Committee meeting ended on July 13.

(**The Hindu,** Madras, **The Times of India**, Bombay and **The Hindustan Times,** New Delhi)

[Prev. ref. 7824:INI:I, 8027:INI:E, 8951:INI:B]

B. Foreign Trade During 1968-69: A perceptible shift in the direction and pattern of India's exports, particularly after the closure of the Suez Canal, was revealed by an official review of foreign trade in 1968-69, released in New Delhi on July 6.

According to the review, India's exports were about Rs. 161 crores more than those of 1967-68, but 60 per cent of the increase was in exports to the Asian and Oceania region, particularly ECAFE countries.

Similarly, 60 per cent of the increase was accounted for by larger exports of non-traditional items such as engineering goods, iron and steel products, chemicals, oil products, paper and paper board and synthetic fibre.

It was evident that the closure of the Suez Canal had rendered it much cheaper for countries in the Asian and Oceania region to import some of their requirements of industrial products from developing countries like India.

Despite this significant shift, traditional export markets continued to predominate India's export trade and still accounted for a major share of the total. The exports in 1968-69 were of the order of Rs. 1,360 crores as against Rs. 1,198.69 crores in the previous year. The increase was Rs. 161 crores or 13.5 per cent. This, together with reduced imports, which totalled Rs. 1,785.84 crores, helped the country to reduce its trade gap by over Rs. 350 crores. Imports of cereals, machinery and transport equipment, oils and fats and iron and steel were less in 1968-69 than in the previous year.

Direction-wise, India's exports to Asian and Oceania countries at Rs. 412 crores were higher than those in the previous year by Rs. 96 crores. To the ECAFE countries alone, the exports at Rs. 344 crores were higher by Rs. 74 crores.

Exports to West Asian countries at Rs. 67.2 crores were higher by Rs. 22.7 crores. There was a marked increase in exports to Kuwait, Iran, Saudi Arabia, UAR, Yemen and Qatar.

Exports to East European countries amounted to Rs. 266 crores or Rs. 40 crores more than those of the previous year. The rise was shared by all countries except Hungary and East Germany. Export to the Soviet Union alone rose by Rs. 27 crores—from Rs. 121.8 crores to Rs. 148.3 crores.

In Western Europe, the United Kingdom remained India's single major trading partner in spite of the fall in its import of Indian goods from Rs. 229 crores to Rs. 201.5 crores. Exports to Belgium, West Germany, France, Italy and the Netherlands were, however, a little higher than in 1967-68.

Exports to African countries at Rs. 72.8 crores were higher only by Rs. 2.6 crores. While there was an increase in exports to Kenya, Ethiopia, Libya, Mauritius, Sierra Leone, Tanzania and Uganda, there was a fall in exports to Tunisia, Zambia and Nigeria.

(**The Times of India,** New Delhi)

[Prev. ref. 8270:INI:H, 8884:INI:A]

C. Total Police Firings In West Bengal: The Deputy Chief Minister of West Bengal, Mr. Jyoti Basu, said in the State Assembly in Calcutta on July 14 that the police had fired on 27 occasions in the State between February 25—the day the UF Government assumed power—and May 31.

Seven people were killed in the firing and 26 injured.

In Calcutta, the police had fired on six occasions resulting in the death of two persons and injuries to three. Four people were killed and 12 injured in four cases of police firing in Hooghly district and one person was killed and 10 injured in five police firings in 24-Parganas District.

He said there had been 94 cases of arson in Calcutta and the districts of 24-Parganas, Howrah, and Hooghly between March 1 and June 30. Of these, 80 had occurred in 24-Parganas alone. The reasons for these were communal riots, occupation of land and fisheries, family quarrels and previous enmity.

Replying to another question, he said that 1,294 people had been arrested in the UF **regime** under the Preventive Detention Act for anti-social acts. Over 700 anti-social elements had been arrested in Calcutta alone.

He said that no one had been arrested under the Act for political reasons. He did not know if the detenus included any Naxalites. The Naxalites were partly political and partly anti-social, and if any Naxalite had been arrested under the Act, it must have been for anti-social activities.

Asked if the Government was detaining the Naxalites under the Act under instructions from the Centre, he said the West Bengal Government did not function under instructions from the Central Government.

He added that Central forces had fired twice in West Bengal without the permission of the State Government. In the firing by the UP provincial armed constabulary at Durgapur on March 24 three persons were injured. In the firing by the defence security force at Cossipore gun and shell factory on April 8, four persons were killed and nine injured. The State Government had protested against these firings and had requested the Centre that no Central police force should be deployed for law and order duty in the State without the permission of the State Government.

(**The Statesman,** Calcutta)

[Prev. ref. 8850:INI:N, 8912:INI:E]

D. Oil Exploration Programme: The Oil and Natural Gas Commission (ONGC) has prepared an ambitious Rs. 1,200-crore plan to boost oil exploration and production in the country.

The plan, spread over the next ten years, envisages raising of production from 3.6 million tonnes a year to 14.5 million tonnes by the end of the Five-Year Plan. According to a survey made by the Indian Petroleum Institute, the country's requirements of petroleum products will go up to 34 million tonnes. At present, the installed refining capacity is much more than the crude production, the gap being filled by crude imports. The ONGC plan may, however, be modified in accordance with the results of explorations and the availability of resources. Of the total expenditure, outlay of Rs. 463 crores is for the Fourth Plan and the remaining outlay will be spent during the Fifth Plan.

The Fifth Plan outlay is doubled in view of the fact that there are some proposals for off-shore drilling in deep and shallow waters, construction of a pipeline from Tripura and replacement of drilling equipment.

Against the expenditure of Rs. 1,200 crores in the next ten years, the ONGC hopes to earn about Rs. 850 crores by sale of crude oil and natural gas. The difference of Rs. 3,500 crores could be wiped out in about 3½ years, still leaving a balance of reserves for exploration without any further capital investment.

The production of 14.5 million tonnes of crude oil per year by the end of 1978-79 will comprise 10 million tonnes from land and 4.5 million tonnes from off-shore areas.

It is also proposed to establish an annual production rate of about 912 million cubic metres of gas by 1973-74 from land. If the target of production of gas from the off-shore areas is realised, the Commission will raise the gas production to about 1,500 million cubic metres per year by 1978-79. With these targets in view, the ONGC plans to drill about 1,200 wells whose aggregate depth will be three million metres on land.

(**The Times of India**, Bombay)

[Prev. ref. 8399:INI:K]

E. Naga Extremist Killed: A former self-styled speaker of the Naga extremist underground Parliament, Mr. Chuz Lo Mekrisu, was found dead with a gunshot in the thick jungle near Chesami village, 31 miles from Kohima on July 10.

Documents recovered from the body of the underground leader showed that he had escaped an attempt on his life on July 9. He was believed to have been murdered by the pro-China underground extremists, whom he had lately been criticising for their anti-State activities.

(**The Statesman**, Calcutta)

[Prev. ref. 8647:INI:D]

F. New High Commissioner To Guyana: Mr. Dinkar Hejmadi has been appointed as India's High Commissioner to Guyana, in succession to Mr. S. J. Wilfred.

He was earlier serving as Deputy Consul-General in the Consulate-General of India in New York.

(**The Statesman**, New Delhi)

[Prev. ref. 7951:INI:D]

G. Rail Accident Near Jaipur: At least 84 persons were killed and 70 injured when a goods train rammed into the 398 Up Asansol-Puri Passenger on July 14, at Jaipur-Keonjar road on the South-Eastern Railway, 336 km from Howrah.

Three bogies, including the guard's van, were completely smashed.

The victims included the guard of the passenger train.

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 9071:INI:S]

H. "Abhigamin" Peak Climbed: A mountaineering expedition sponsored by the Gujarat Government scaled the 24,130-foot-high Himalayan peak of **Abhigamin** on July 7.

The seven-member team was led by a 22-year-old student, Hemant Patel.

This was the third Himalayan expedition sponsored by the Gujarat Government this year, including one all-girl team.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 9045:INI:R]

I. National Animal: The Board for Wild Life on July 9 chose the lion as the "National Animal" of India.

It recommended that the lion should take its place with the peacock, the National Bird.

The Minister for Tourism, Dr Karan Singh, who is President of the Board, said that two reasons had weighed with the Board: the first was that the lion was on the national crest—the Asoka Pillar capitol; and, secondly, it was an animal that they were most anxious to save from extinction.

(**The Statesman**, New Delhi)

[Prev. ref. 8402:INI:X]

IRAQ

A. Israeli Spies Arrested: It was disclosed in Baghdad on July 10 that the Government had arrested members of an Israeli spy ring who had admitted delivering a letter bomb to Mr. Yasser Arafat, leader of the El Fatah commandos, in Amman on July 5.

The bomb was defused before it could reach Mr. Arafat.

An official spokesman quoted by **Baghdad Radio** said that the arrested men included Iraqi and Jordanian soldiers and non-commissioned officers. The detainees had made confessions and had admitted the lefter bomb operation. The letter bore the forged seal of an Iraqi unit stationed in Jordan.

(**Baghdad Radio**)

[Prev. ref. 8986:IRQ:C]

B. Former Premier To Be Tried For Treason: Baghdad newspapers reported on July 9 that a former Prime Minister, Dr. Abdel Rahman al Bazzaz, would be tried with 19 other persons by the Revolutionary Tribunal on a charge of "plotting against the Government."

Among the accused was a former Chief of Staff, Gen. Faisal al Ansari.

The Revolutionary Tribunal, which was set up in December, 1968 is noted for the severity of its sentences. To date, it had decreed nearly 40 executions.

Dr. Bazzaz, who was Prime Minister in 1965 and 1966, was placed under house arrest at the end of 1968. Numerous rumours had circulated about him, including one which said he had committed suicide. The Government implicitly denied these rumours by saying that Dr. Bazzaz would soon be appearing on television to "confess."

Dr. Bazzaz played a major role in the Iraqi-Kurd conflict and in June, 1966 signed with the Kurdish leader, Mustapha Barzani a cease-fire and co-operation agreement that the present **regime** has promised to honour.

(**The Times of India**, Bombay)

[Prev. ref. 7211:IRQ:A]

ISRAEL

A. UN Security Resolution On Jerusalem Rejected: The UN Security Council adopted a resolution on July 3, jointly sponsored by Pakistan, Senegal and Zambia, calling on Israel "without any further delay to declare its intentions with regard to the implementation of their resolution" concerning the status of Jerusalem.

In the Council debate on July 1, the "Big Four" Powers warned Israel to refrain from taking measures that might change the status of Jerusalem.

The US Ambassador, Mr. Charles Yost, said that the Israelis had "no right to make changes in laws or in administration other then those which are temporarily necessitated by their security interest."

Lord Caradon (Britain) said that to prejudice the future of Jerusalem would bar the door to peace and make another conflict inevitable.

Mr. Alexei Zakar (Soviet Union) backed Jordan's proposal that a world-wide arms embargo be applied against Israel, while Mr. Armand Berard (France) said that any measures or legislative decisions taken by Israel to modify Jerusalem's status were invalid.

Israel's Rejection:

Israel rejected on July 4 the Security Council resolution strongly censuring her for her moves to annex Jerusalem.

Mr. Yosef Tekoah (Israel) said that the resolution—which also called on the Israelis to rescind immediately measures they had already taken in Jerusalem—could not affect the city's life.

He said: "Life cannot stop in Jerusalem. Life will not stop in Jerusalem. It will continue as it has in the last two years since Jerusalem's rebirth and re-union, for this is the will of the people and this is the historic destiny of that city."

Mr. Tekoah poured scorn on the Arab States and some other opponents of his Government's policies who had spoken in the debate.

He said that there could not be a situation commanding less respect than Pakistan's "donning the mask of law and justice" in presenting a resolution to the Council to censure Israel. "Has not Pakistan's outstanding contribution to international life since its independence been to wage war against a neighbouring country"? he asked. "What value should be attached to a resolution born of such parents?"

Jordan's Ambassador, Mr. Muhammed el-Farra said after the adoption of the resolution that Israel "more than ever before stands alone."

Denouncing Israel's rejection of the resolution on Jerusalem, he said that "sanctions are now the only remaining possible solution to put an end to Israel's arrogance."

Mr. A. Eban's Attack On Security Council:

At a news conference in Tel Aviv on July 4, the Israeli Foreign Minister, Mr. Abba Eban made a scathing attack on the UN Security Council which had censured Israeli moves to annex all Jerusalem, saying that it was doing nothing to solve the world's real problems.

He said: "If the Security Council expresses criticism, it opens itself to criticism. The Security Council stands, not for the first time, under the judgment of world opinion.

"Here we have a body charged with responsibility for international peace and security. It did nothing whatever to avoid the June, 1967 six-day war. It gave Israel no assistance whatever when her danger was greatest.

"It will not do anything if Israel were again exposed to the danger of destruction. It did not do anything to prevent the invasion of Czechoslovakia. It is not doing anything at all about the tension and warfare in South-East Asia. It is not playing any role in the great humanitarian disaster now occurring in a part of Africa.

"All it is doing is to try to cancel the union and the peace, the tranquillity and the respect for sanctities which prevail in Jerusalem."

Maj.-Gen. M. Dayan Demands Major Border Changes:

The Defence Minister, Maj.-Gen. Dayan, warned on June 27 that in any peace settlement, Israel would want big changes in the lines on the west bank "and such lines as will provide us security. What we are talking about are not minor rectifications but major ones."

He re-iterated that Israel did not contemplate handing back to Syria the Golan Heights captured in the June war.

Gen. Haim Bar-Lev On War Preparedness:

On July 9, the Army Chief of Staff, Gen. Haim Bar-Lev, declared at a graduating officers' class that "the need to prepare for war is a demand of reality, since Arab leaders consider war the only means to turn back the clock of history."

He added: "If they do not plot an all-out war, it is mainly due to their estimate of our military strength."

Taking the UAR as an example, Gen. Bar-Lev said that shooting on the Suez Canal had turned three-quarters of a million Arabs, residents of Canal towns, into refugees. "The Nile valley and the Gulf of Suez are not protected, her (UAR) oil ports are paralysed and her planes cannot supply the air umbrella expected of them. We do not know what conclusions UAR and the other Arab States will draw. What we do know is we must continue to exact the full price for cease-fire infringement."

Reported Soviet Peace Plan:

It was disclosed by Communist diplomats in London on June 25 that the Soviet Union had handed to USA a new West Asia Peace Plan backed by the UAR President, Mr. G. A. Nasser.

The Plan offers a "package" solution which provides for the recognition of Israel by the Arab nations, free navigation through the Suez Canal and the Gulf of Aqaba, and a Big-Power security guarantee for the area.

But, it rejects all suggestions for Arab territorial concessions to Israel, insisting on complete Israeli withdrawal to the pre-1967 borders, under a phased peace settlement.

The Plan outline incorporates "some of the features" of the American proposals which stand rejected, however, in their present form by the Russians and President Nasser.

The Plan was stated to be the result of recent extensive consultations between the Soviet Foreign Minister, Mr. Andrei Gromyko, and President G. A. Nasser. Mr. Gromyko flew to Cairo earlier in June, 1969 to discuss an American 13-point peace outline, which President Nasser rejected.

Mr. I. Galili's Warning To Arabs:

On June 25, Israel warned the Arab countries that her Army might strike harder in future to counter Arab activity on the cease-fire lines.

The warning was given by the Information Minister, Mr. Israel Galili, speaking at a luncheon in Tel Aviv.

He said that the Israeli Army already was dealing effectively with the position as it existed now. "But it is most likely that in the future the Army will be forced to take more stringent defensive, deterrent and punitive actions to meet even more efficiently the changing conditions, particularly along the Suez Canal and the Jordan cease-fire line."

President N. Podgorny's Promise To Arab Countries:

President N. Podgorny said at a luncheon in Moscow on July 5 to honour the visiting Syrian Premier, Mr. Nureddin Atassi, that the Soviet Union would help improve the Arab armies and stand behind the Arab States against Israeli agression.

He said: "Our country will continue to help by every possible means to strengthen progressive regimes in the Arab States, to develop their economy and culture, and to raise the combat efficiency of their armed forces."

Soviet Military Supplies To Arab Countries:

According to figures released by the Israeli Embassy in Paris on July 3, USSR had supplied 700 fighter aircraft to UAR, Syria and Iraq since the six-day war of June, 1967, also replenishing the Arab losses of armour by 150 per cent.

The value of Soviet armaments supplied to UAR since June, 1967, was put at 10 billion French francs.

It noted that USSR had granted to the three Arab countries exceptionally favourable conditions of payment.

U Thant's Report:

In a special report to the UN Security Council on West Asia on July 7, the UN Secretary-General, U Thant, said that the level of violence in West Asia now was at a *higher point than at any time since the six-day war.*

If it continued, he said, it could "soon render vain efforts towards a peaceful settlement and it could even be the overture to more general and intensive hostilities in West *Asia.*"

He appealed to all parties to bring to an end immediately all offensive military actions, and to all members of UN to help to make the cease-fire effective. "This is in the vital interests of the whole world."

He said that UN Military Observers in the Canal sector now were operating "under conditions of continuous danger. They cannot be expected to serve as what amounts to defenceless targets in a shooting gallery. I feel it my duty to warn the Council that if the UN Military Observers continue to be fired upon, I will have no choice but to advise the Council, after consultation with the Governments providing the Observers, of the future course of action, including even the possibility of withdrawal of Observers."

More Fighting:

A UAR military spokesman announced on June 23 that Egyptian forces had killed 18 Israelis in two separate commando raids across the Suez Canal. Egyptian casualties for these two operations on the east bank of the Canal were two dead and three wounded.

An Israeli spokesman said that an Israeli unit crossed one mile into Jordan early on June 23, hitting military and civilian targets in retaliation for attacks on Israeli forces.

In another action, he said, an Israeli patrol killed two Arab guerrillas in a brief exchange near Nahal Golan, 14 kilometres east of the Sea of Galilee on the Israeli-occupied Golan Heights.

Cairo Radio said that an Israeli fighter-plane was shot down on June 24 in an air encounter with Egyptian planes.

It quoted an Egyptian military spokesman as saying that the clash took place when four Israeli fighter planes attempted to violate Egyptian air-space but were driven off.

One Israeli aircraft was seen falling in the Gulf of Suez.

A UAR military spokesman said that at least 22 Israelis were killed when an Egyptian Army patrol crossed the Suez Canal on June 23 and overran an Israeli position. It was the third night running that an Egyptian force had made an attack over the Canal.

A police spokesman announced in Tel Aviv that an oil pipeline in Haifa port had been sabotaged by an explosion on June 24.

The explosion was regarded as the most daring act of sabotage inside Israel since the six-day war in June, 1967.

In Amman, the Popular Front *for the Liberation of* Palestine—one of the Arab guerrilla groups—claimed responsibility for the sabotage. It said its commandos had placed explosive charges under the pipe-line.

As Israeli firemen fought to contain the blaze in Haifa, Israeli and Egyptian fighters clashed on June 24 over the Suez Canal scene of repeated commando raids and artillery duel in the past few days.

Tel Aviv claimed that Israeli aircraft on a routine flight intercepted Egyptian MIG-21s some 30 km south of Suez. One Egyptian MIG was hit. It was seen to explode and crash in Egyptian territory.

An Israeli Army spokesman said that Israeli planes knocked out two UAR jet fighters in an air battle over the Gulf of Suez on June 26.

A group of Soviet-built MIG-21s flying over the northern part of the Gulf of Suez encountered patrolling Israeli fighters.

It was the third UAR MIG-21 that Israel had claimed shooting down in three days. A MIG was said to be downed in the same region—just south of the Suez Canal's southern outlet—on June 24.

Later, a **communique** from Cairo said that UAR jets "hit" two Israeli fighters after they tried to violate UAR air-space.

Israeli planes attacked inside Jordan on June 26 for the second day in a row. The planes struck against Jordanian Army positions in the Jordan Valley.

On June 29, Israeli commandos carried out a raid in upper Egypt, damaging an electrical high-tension wire in the Squag area, west of the Nile. It was the deepest Israeli commando raid into UAR since the June, 1967 war and snapped the 500-kv power line linking Cairo and the Aswan Dam. It was also the attack closest to Cairo, being 380 km south of the UAR capital and 220 km west of the UAR-Israeli border. The Army disclosed that a second power line was damaged and claimed the attackers met no resistance or interference.

On June 30, a bomb blew up an Israeli Army vehicle in a quiet residential road in the centre of Tel Aviv, injuring at least seven people.

Israeli planes attacked targets inside Jordan on June 30 after light arms fire had been directed across the Jordan River against an Israeli border police patrol.

An Israeli commando unit struck half-way between Assiut and Luxor, 250 miles south of Cairo, near Suhaj, and cut the high-tension power line connecting Aswan and Cairo on June 30.

Arab El Fatah men, sneaking into the Israeli capital of Tel Aviv, left a stolen car packed with bombs in a residential area. The bombs exploded, injuring ten civilians and destroying three other vehicles parked nearby.

There was an Egyptian-Israeli artillery exchange across the Suez Canal for seven hours on July 3.

A Cairo **communique** said: "Heavy artillery went into action on July 3 with a concentration on Deversoir, Balah, Qantara, El-Shatt and Point Six, all midway along the waterway."

A Syrian Army spokesman said Syrian and Israeli positions exchanged machine-gun fire for nearly half-an-hour across the cease-fire line in the Golan Heights region on July 3.

A UAR military spokesman said in Cairo that an Israeli **Mirage** fighter plane was shot down in an air battle over the Gulf of Suez on July 6. The UAR planes flew over enemy positions deep in Sinai on a reconnaissance mission and were intercepted by Israeli aircraft. The **Mirage** was downed in the Gulf of Suez three kilometres to the east of Zaafarana, and its pilot was seen baling out.

It was officially stated on July 26 that all members of a spy ring working for Israel in UAR had been arrested. The alleged spies were arrested on June 2.

On July 7, Israel announced the downing of two Egyptian MIGs over the Red Sea. By Israeli count, they were the eighth and ninth Egyptian aircraft shot down in combat in a fortnight. The tally since the June, 1967 war was claimed to be 27.

A Tel Aviv message said that Israeli jets shot down on July 8 seven Syrian MIG-21s in an aerial battle. TThe MIGs were intercepted as they penetrated Israeli air-space over the Golan Heights, near Kuneitra. All Israeli aircraft returned safely to base.

This was the biggest air battle in West Asia since the six-day war of June, 1967. The dog-fights occurred around altitudes between 10,000 and 30,000 metres.

According to Israeli sources, three persons were hurt by an explosion in the main street of a town in the Israeli-held west bank of Jordan on July 10.

Reports from the Sea of Galilee area said on July 10 that an Israeli army patrol was fired on from Jordanian territory near Sh'ar Hagolan. The fire was returned. There were no Israeli casualties.

An Israeli Army spokesman denied reports that an infantry unit of the UAR had crossed the Suez Canal on July 10 and attacked Israeli fortifications in the Ismailia region.

A military spokesman had earlier announced in Cairo that two UAR infantry platoons supported by army engineers had crossed the Suez Canal early on July 10 and blasted five Israeli fortifications in the al-Kirsh area north of Ismailia.

According to a Cairo report, UAR anti-aircraft guns shot down an Israeli helicopter in the Great Bitter Lake along the Suez Canal on July 10.

According to a Tel Aviv message, Israeli soldiers intercepted two saboteur bands on July 11 and in ensuing clashes killed four Arab infiltrators.

Three Arabs were killed on the slopes of Mount Hermon after they crossed into Israeli-held territory from Syria. The others fled, leaving behind rifles, mines, and one anti-tank mine.

Another band crossed from Jordan. One Arab was killed. Both groups were said to be members of the El Fatah commando organization.

Cairo Radio said that Israeli gunners fired on Suez town across the Suez Canal on July 12.

On July 14, Israeli and UAR artillery fought duels at El Qantara on the northern part of the Suez Canal and opposite Suez port in the south. There were no Israeli casualties in the firing.

Near Beer Menuha, on the edge of the Negev desert, the military reported one Israeli civilian injured when his vehicle ran over a mine hidden in a dirt track.

(**Cairo Radio, Tel Aviv Radio, The Times,** London, **The Hindu,** Madras and **The Times of India,** Bombay and New Delhi)

[Prev. ref. 8940:ISR:A, 9045:ISR:A]

JAPAN

A. ASPAC Ministerial Conference: The fourth Ministerial Conference of the Asian and Pacific Council (ASPAC) met in Kawana from June 9 to 11.

The Council has as its members Japan, Australia, Formosa, South Korea, Malaysia, New Zealand, the Philippines, Thailand and South Viet-Nam. Laos attended the session as an observer.

The opening session was marked by violent clashes between demonstrators protesting against the Council and the police. Many demonstrators, a large number of them students, and several policemen were injured. The demonstrators contended that the Council was tending to develop into an anti-Communist alliance.

In his opening speech, the Prime Minister, Mr. Eisaku Sato, stressed that the essential factor uniting the Asian and Pacific countries was their ardent desire to pursue social economic development without disturbing others and without being disturbed by external pressure and interference.

He suggested that the region of the world so far referred to as the Asian and Pacific region, as a matter of convenience, should now be known as "Pacific Asia." He said this name clearly signified the part of Asia which faced the Pacific. "At the same time, it denotes a peaceful Asia."

"When this region will become more unified and come to be widely accepted as one geographical unit, then will come the day when this appellation becomes an idiom in daily use."

The Foreign Minister, Mr. Kichi Aichi, who was elected Chairman, told the meeting that the main task of ASPAC was to bring about economic and social construction of the region.

Referring to the oft-repeated charge against ASPAC that it was aimed at a military alliance, he said there could be no denying the importance of the security problem in the region, but that could not constitute any reason for linking the functions of ASPAC with military co-operation. There had never been an actual proposal inside ASPAC for turning the organization into a military alliance.

Thailand's Foreign Minister, Mr. Thanat Khoman, declared that ASPAC harboured no hostility against any one or any nation. ASPAC being no collective organization, he said, member-countries had other arrangements to ensure their individual or collective self-defence.

He argued that while Western colonial Powers had withdrawn from Asia, imperialism was being practised under new guises and new labels by local Asian Powers over Asian peoples and nations. He called on Asian peoples to replace imperialistic domination with more humane and progressive notions of co-operation and partnership.

Expounding a similar theme, the Australian External Affairs Minister, Mr. Gordon Freeth argued that ASPAC was concerned not with things that divided the region but those that held it together.

He did not rule out the possibility that new organizations might be created to meet the security needs of different parts of the region. He did not think the present security arrangements in the region were fully adequate.

He stressed, however, that ASPAC should not be concerned with such a task. Establishment of relations of mutual trust and confidence were essential if ASPAC was to succeed.

The South Korean Foreign Minister, Mr. Kyu Hah Choi, described the Council's common objective as one to get rid of poverty, illiteracy and build a welfare society in Asia and the Pacific. He urged that the Council leap from promise to performance, from blueprint to execution.

All the chief delegates voiced hope in their speeches that Indonesia would join ASPAC.

The Indonesian Ambassador to Tokyo, Mr. D. Ashari, was present at the opening ceremony as a "guest."

They also highlighted the concerted advocacy of "dovish" member-nations of the Asian and Pacific

Council (ASPAC) that the organization should maintain its non-military character. A similar argument was advanced at the first three ministerial meetings of the organization. But this time it appeared to carry specal significance for the following reasons:

In the first place, the contention that ASPAC should be kept as a non-military grouping was made despite the inauguration of the administration of President Richard M. Nixon, who, before he took his office, suggested conversion of the ASPAC into a regional military alliance.

Another reason was that opposition to turning ASPAC into a military and defence organization was markedly strong.

Japan's Mr. Aichi even said: "Outside this organization there are those who raise their voices as if the eventual aim of this organization was a *military alignment*...As the distinguished delegates are well aware, not a *single proposal* has even been made within this organization to create a military alliance under the aegis of ASPAC."

Communique:

The Conference issued **a communique** on June 11 declaring that *efforts should be continued to strengthen the political, economic and social structures of member-nations.*

The Conference pledged itself to work for reduction of international tension in and around the region.

The **communique** said that the participating Ministers affirmed that their countries should make an all-out effort to promote economic development.

The Ministers also noted the need for continued assistance by major countries outside the Asian and Pacific region until progress and stability of the region could be ensured by ASPAC nations' own efforts.

The **communique** stated that the Ministers recognized the need to develop a frame-work for international co-operation "on the broadest possible basis" to assist in the rehabilitation of Viet-Nam and its neighbours as well as to ensure that peace in this part of the region would be "just and durable."

With regard to Korea, the Ministers "expressed concern at the tension created by the provocative and aggressive acts including the increasing armed infiltration into South Korea."

A maritime co-operation scheme proposed by Japan was referred to ASPAC's standing committee for study.

During the closing ceremony, the representatives also signed an Agreement on the establishment of a Food and Fertilizer Technology Centre in Taipeh and a written guideline for the founding of an Economic Co-operation Centre in Bangkok.

Meanwhile, commenting on the three-day Conference, Mr. Aichi said at a news conference that he hoped as many Asian and Pacific nations as possible, including even China, would join the Asian and Pacific Council (ASPAC) in the future. He said, however, that at present he expected such countries as Indonesia, Singapore and Burma to become ASPAC members.

He saw no need to try to integrate ASPAC with other existing regional co-operative organizations such as the Ministerial Conference for the Economic Development of South-East Asia.

He believed that never before had the Japanese people understood the nature of ASPAC better than at present and expressed the hope that ASPAC would contribute to lasting peace in Asia and also the world.

(The Japan Times, Tokyo and **The New York Times)**

[Prev. ref. 7530:JAP:B]

B. Mr. Kichi Aichi On Talks *With US Officials* On Okinawa: The Foreign Minister, Mr. Kichi Aichi reported to the Diet on June 16 on his recent talks with US Government leaders, including President Richard Nixon, on the reversion of Okinawa (see page 9030).

In reply to questions posed by both Conservative and Opposition members, Mr. Aichi as well as the Prime Minister, Mr. Eisaku Sato, made the following points:

(1) The Japan-US Security Treaty and other related accords will apply to Okinawa after it reverts to Japan—meaning that US installations there would be placed under the same restrictions as those in Japan.

(2) No special arrangements will be made regarding Okinawa's reversion and the United States will not be allowed "free use" of Okinawa bases after the island group is returned to Japan.

(3) In its "prior consultations" with USA under the Security Treaty, however, the Government would say either "yes" or "no" depending on the circumstances involved.

Mr. Sato told the Diet that the Government's attitude on "prior consultation" with the United States would be based on its independent judgment to be made in the national interest.

He also said that the Government could not commit itself beforehand on the stand it would take in prior consultations if it should be sought by USA.

Under Security Treaty arrangements between USA and Japan, the US Government is required to seek "prior consultation" with Japan on a major change in deployment of weaponry in Japan (introduction of nuclear arms) and in freely mounting combat operations from the country.

Mr. Aichi said that his Government would like to discuss with the US Government in what cases the Japanese Government would say "yes" and in what cases "no" when the "prior consultation" clause was invoked under the Security Treaty.

(The Japan Times, Tokyo)

[Prev. ref. 9030:JAP:A]

C. Subsidies To Rice Growers: The Government decided on June 20 to peg the producers' price of rice in 1969 at the present 20,640 yen per 150 kg and provide 22,500 million yen in subsidies to rice growers.

It also decided to keep the rice price for consumers for fiscal 1969 at the present level.

The subsidy will be distributed to city, town and village offices, in proportion to the respective volume of rice delivered to the Government during the past three years, for purchase of fertilizers, agricultural chemicals and other farming necessities.

Announcing the new rice prices for the year, the Prime Minister, Mr. Eisaku Sato pledged in a statement to expedite construction of prosperous modern farming communities through the promotion by the Government of an over-all agricultural modernization policy. To enhance this, the Cabinet also would set up a special ministerial council on the promotion of agriculture.

(The Japan Times, Tokyo)

[Prev. ref. 8636:JAP:C]

KOREA (South)

A. Hanging Of North Korean Journalist: Soo Keun Lee (45), a leading North Korean journalist sentenced to death for spying by a Seoul court in May, was hanged at a prison in Seoul on July 3.

Mr. Lee, a former vice-president of North Korea's central news agency, had crossed the border between North and South Korea at the armistice village of Panmunjom on March 22, 1967.

The Seoul district court, in passing sentence, said he had pretended defection to the South while working as an agent under instructions from the North Korean Workers' Party. Mr. Lee slipped out of Seoul with a forged passport on January 27 this year in an attempt to reach Cambodia, but was arrested by South Viet-Namese police during a stopover at Saigon, and flown back to face trial. He did not appeal.

(The New York Times)

[Prev. ref. 7691:KRS:A]

LAOS

A. **Pathet Lao Gains:** Pathet Lao sources claimed on June 28 that its forces, working in close co-operation with the "patriotic neutralist forces," were in full control of the Muong Soui region.

The sources stressed the military importance of the Muong Soui base which, it said, was equipped with air strips, artillery posts, and large stocks of ammunition. It had been used as a base for the recent attacks on the Xieng Khouang region.

One report said that Sala Pholkhom had also fallen to the Pathet Lao forces; but there was no immediate comment from military authorities.

The Pathet Lao news agency said that some of the forces of Gen. Kong Lae, a former neutralist commander, who had been forcibly enrolled into the Government Army, had revolted. The Government Army was said to be "dispersing in panic" and was "being tracked down by the People's Liberation Army and the local population."

The Prime Minister, Prince Souvanna Phouma, who was in London when word of the Communist attacks reached him, called it an "invasion" by North Viet-Nam.

Sources in Vientiane said that a Government force of about 500 men had retreated to the north of Muong Soui to form a defensive line after the fall of the town.

A special Cabinet meeting was later held during which officials decided to re-take Muong Soui.

A year which had started grimly enough for the Government with the serious loss of Nakhang in the heart of Sam Neua province, 270 miles north of Vientiane in March, preceded and followed by other military setbacks, had by mid-Summer slowly started to show signs of improvement. In May, the Royal Laotian Army captured but did not hold Xieng Khouang, described as the Pathet Lao capital. The defeat of the Pathet Lao forces in Xieng Khouang then came, according to news agency reports, as a shot in the arm for Vientiane soldiers. Aside from confiscating large caches of military supplies by this initiative, Government troops had achieved their main purpose of relieving the base at Muong Soui. It was hoped at that time that if they could keep up the pressure on the Pathet Lao forces until the rainy season started, it would be impossible for the Pathet Lao to do anything about Muong Soui until the dry season—starting in October—facilitated movement of troops and equipment. At Muong Soui Government troops drove the Pathet Lao forces off some nearby hills, and in other areas they moved on with an unusual sense of purpose. They regained control of several areas and positions. However, on June 24, the position changed. Pathet Lao forces after recapturing Xieng Khouang from Government troops managed to move five battalions of troops back to Muong Soui without being detected by either Laotian or US intelligence.

The strategic position of Muong Soui—one of the three major Government bases in north-east Laos and with one of the area's best airfields—has been obvious to both sides. According to the Pathet Lao, it had been "illegally captured by the US imperialists and their henchmen and used by them as a spring-board to attack the Phou Kouth mountains and other areas in Xieng Khouang." The Government considered Muong Soui to be one of its main defence points on the road between the administrative capital of Vientiane and the Royal Capital in Luang Prabang.

(The New York Times and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8828:LAO:A, 8856:LAO:A]

NEPAL

A. **Withdrawal Of Indian Military Personnel Requested:** On July 12, Nepal officially asked India to withdraw its personnel from the northern checkposts and its military liaison group in Khatmandu.

This request was made by Mr. Bhim Bahadur Pandey, Ambassador to India, when he called on Mr. Surendrapal Singh, India's Deputy Minister for External Affairs.

Reports quoted official sources as saying that Nepal remained "firm on its stand". Nepal, they said, could at no time enter into any treaty or agreement with any country that would "compromise its national interests".

At the same time, officials said: "Nepal does not seek to do anything that may undermine its relations with India". But they added that "Nepal will not agree to do anything that compromises its sovereignty in the name of friendship either."

[There are 18 checkposts along Nepal's northern border which are manned by Nepalese armed personnel with one or more Indian civilians assisting them in maintaining wireless communications with Khatmandu. Half-a-dozen Indian Army officers, with about 12 subordinates form the Indian military liaison group in Khatmandu.]

(The Statesman, New Delhi)

[Prev. ref. 9056:NEP:A]

B. **Chinese Envoy:** It was learnt in Khatmandu on July 6 that China had appointed Mr. Wang Tse as its new Ambassador to Nepal.

The post of Ambassador at the Chinese Embassy had been lying vacant for nearly two years when the head of the "Chinese mission suddenly left for home in the wake of the Cultural Revolution."

The Counsellor of the Chinese Embassy, who had also left for home during the Cultural Revolution, returned to Khatmandu recently.

(The Times of India, New Delhi)

[Prev. ref. 7003:CHI:B]

C. **Mr. R. Shaha Detained:** Mr. Rishikesh Shaha, former Foreign Minister and a member of the National Panchayat, was detained under the Security Act in Khatmandu on July 10.

Earlier, on June 26 at a news conference Mr. Shaha had criticised the Prime Minister, Mr. K. Bisht and said that Mr. Bisht had committed a breach of privilege by making a Press statement on the arms assistance agreement with India while the National Panchayat was in session.

(The Times of India, New Delhi)

[Prev. ref. 9057:NEP:A]

D. **Ban On Three Newspapers:** Publication of two leading language newspapers, **Dainik Nepal** and

Nepal Times, was banned on July 10 for an indefinite period.

An order was served on both papers by the Zonal Commissioner under Section 30 of the Press Regulations. It gave no reason for the action.

On July 11, Samaya was also served with similar orders.

(The Times of India, New Delhi)

[Prev. ref. 4325:NEP:C]

E. **Plane Crash:** A Royal Nepal Airlines **Dakota,** with 35 people on board, on July 12 crashed near a bridge over the Samri Khola, a small rivulet two miles north of the industrial town of Hetauda. All aboard were killed.

The plane was on a scheduled flight from Khatmandu to Simra. It lost contact with Khatmandu eight minutes after take-off. A day-long search by planes and helicopters failed to locate the missing plane. Meanwhile, a message from one of the search parties in the Himalayan Foothills area reached Khatmandu giving first news of the crash.

According to eye-witness reports, one wing of the plane hit an 8,000-foot-high cliff and caught fire immediately. It plunged to the ground like a ball of fire, leaving hardly any chance of survivors. The high hill is known locally as "Batase Danda" (windy ridge). The plane's wreckage fell in an area about eight miles north of Makwanpur Garhi, in dense tiger-infested jungles.

The site of the crash was wooded and helicopters could not land anywhere near.

Among the 35 people killed were 28 passengers and three infants, besides four members of the crew. There were several Indians among the passengers.

The Royal Nepal Airlines, which was formed in July, 1958, has a remarkably good record and there had been only one major crash during these 11 years. This was in August, 1962 when a Delhi-bound **Dakota** crashed in the Dhorptan area in West Nepal killing 12 people, including the Nepalese Ambassador to India, Mr. Narpratap Thapa.

(The Statesman, Calcutta)

[Prev. ref. 4785:NEP:A, 4805:NEP:A]

SINGAPORE

A. World Bank Loan For Power Supply: The International Bank for Reconstruction and Development has announced a loan of $20.5 million to assist Singapore in expanding its power system.

Demand for power in Singapore has been growing at a phenomenal rate. Pressure has come both from large industrial concerns and from expanding domestic consumer supplies. Between 1964 and 1968, power sales increased at an annual rate exceeding 15 per cent.

The Public Utilities Board which supplies electric power has been meeting this demand by developing higher voltage and building new generating stations and power distribution points. But, substantial improvements cannot be expected without major development projects being undertaken forthwith. It is to this end the World Bank loan is intended. It will cover work undertaken during 1969-71 and will include the installations of 430 mva of primary and 650 mva of secondary distribution transformers together with 250 miles of cabling, switchgear and equipment for substations.

The total investment in electric power up to 1973 is in the region of *$115 million.* The Public Utilities *Board will finance over half of this from its own resources.* The entire cost of this project, however, is estimated to be $43.3 million, of which $32.2 million is requirement in foreign exchange. The World Bank loan is intended to cover part of this foreign exchange requirement. It will be for a term of 20 years at interest rate of 6½ per cent.

(Far Eastern Economic Review, Hong Kong)

[Prev. ref. 8975:SGP:C]

TURKEY

A. **Defence Pact With USA:** Turkey and the United States signed in Ankara on July 3 a new joint Defence Co-operation Agreement which gave the Turkish Government a say in decisions on the number of American troops and weapons and equipment to be stationed on its territory.

The Agreement replaced more than 50 Agreements signed by the two countries in the last 20 years.

(The Times, London)

[Prev. ref. 7589:TUR:B. 8869:TUR:A]

VIET-NAM (RVN)

A. **Withdrawal Of American Combat Troops—President R. Nixon's Deadline:** In a nationally televised news conference on June 19, President R. Nixon said that all American combat troops would be withdrawn from Viet-Nam some time in 1970.

In what was described as the most optimistic statement on the war, he said he intended to beat the recommendation of the former Secretary of Defence, Mr. Clark M. Clifford, that about 100,000 troops be withdrawn this year and all ground combat troops by the end of 1970.

He rejected Communist demands that President Nguyen Van Thieu be replaced before serious talks could be held in Paris.

Acknowledging that progress in Paris was disappointing, he said: "We are not going to accede to the demand of the enemy that we dispose of President Thieu before they will talk." Asked if he was "wedded" to Mr. Thieu's Government, he said not in the sense that it had a veto over American actions. But, he said, Mr. Thieu was the elected President and he was co-operating with the United States in attempting to bring the war to an end.

Asked about orders to US commanders in Viet-Nam, he said they were directed to conduct the war with the minimum of American casualties.

(The New York Times)

[Prev. ref. 8999:RVN:A]

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CEYLON

A. Governor-General's Address To Parliament: In his Speech from the Throne setting forth Government policy on July 10, the Governor-General, Mr. William Gopallawa, referred to several measures being taken to improve economy at home and to promote regional and international co-operation in political, social and economic fields.

He said that the gross national product had gone up by 8.3 per cent, in spite of an adverse situation facing the export sector.

To meet credit requirements, he said, financial institutions would be re-organized soon. A National Development Bank would be established. Action had been taken to "Ceylonize" and broaden the banking system by permitting certain foreign banks operating in Ceylon to accept deposits from Ceylonese.

In the field of social welfare, a draft Social Insurance Bill and a new Bill on children and young persons would be presented to Parliament.

The following are excerpts from the Speech:

"My Government intends to introduce legislation to establish a Housing Corporation to co-ordinate and expand house-building activities. Legislation to enable tenants of Government and local authorities to purchase their flats and houses will be introduced.

"The re-organization of the Ceylon Institute of Scientific and Industrial Research to provide for the expansion and amplification of the facilities essential for technological work will be undertaken.

"An Atomic Energy Authority will be set up."

On development projects, he said: "Work on the construction of the Mahaveli Ganga Scheme Phase 1, Project 1, Polgolla Diversion, will commence shortly and, with the completion of the headworks, about 60,000 acres of existing paddy fields will be benefited and a further extent of about 90 000 thousand acres of new lands will be provided with irrigation for the first time.

"Financial provision will be made in the next year's estimates for flood protection projects in the Gin Ganga and Nilwala Ganga basins and later for the Kelani Ganga and Kalu Ganga basins. The World Bank has approved a loan of $25 million for the Maskeliya Oya Project Stage II.

"A considerable expansion in the timber exploitation capacity of the State Timber Corporation is being planned.

"My Government will continue to place the greatest emphasis on the development of agriculture and animal husbandry and will continue to give the fullest encouragement and support to farmers to increase food production. A milk powder packing centre and a milk powder manufacturing plant will come into operation in the course of the year.

"Legislation to amend the Paddy Lands Act in order to remove certain legal defects will be introduced. Legislation will be presented to enable subsidies to be paid for the planting of alternative crops in place of tea and rubber on uneconomic tea and rubber lands.

"The recommendations of the Royal Commission on the Co-operative Movement will receive careful consideration.

"The five-year programme providing for the construction and maintenance of 400 miles of agricultural roads at an approximate cost of Rs. 20 million has been prepared and will be implemented commencing from the current session of Parliament."

On industrial growth, he said: "The value of industrial output in 1968 was 46 per cent higher in the private sector than that in 1967, while in the public sector corporations it was 34 per cent higher than in the previous year.

"Production has commenced on several new industrial projects in the public sector. Work has also commenced on a large number of other industrial projects.

"At the end of last year nearly 280 new industrial projects in the private sector received provisional approval in addition to the 116 projects approved in 1967. Action will be taken to establish shortly Industrial Estates in Kandy, Galle and Jaffna.

"A Five-Year Development Programme for the fishing industry has been prepared and is being considered by my Government with a view to its implementation. My Government has set up a Shipping Corporation as a first step in establishing a Merchant Shipping Fleet.

"A Central Tea Board to co-ordinate and intensify Government action in respect of the tea industry will be established.

"The Insurance Corporation has initiated a number of schemes for the benefit of various sectors in the community such as a Housing Loan Scheme, a National Pension Scheme and a Rent-Purchase Housing Scheme. A Defective Title Insurance Scheme and an insurance scheme for farmers and fishermen are being formulated.

"In the field of education, my Government will expand the facilities in schools for teaching of vocational subjects such as agriculture, handicrafts, commerce and home science, and the first all-Island comprehensive residential school will be established in Pallekelle. Technical education will be expanded, and two Senior Technical Institutes and eight Junior Technical Institutes will be established. The establishment of a Technical Teacher Training Institution is under consideration.

"My Government proposes to take immediate measures to expand and diversify the opportunities for the employment of unemployed graduates both in the public and private sectors and will also initiate programes for their gainful self-employment in industry, agriculture and trade. At the same time, it will strengthen and expand the programmes already undertaken to organize the unemployed educated youth in the national service. By these means my Government hopes to make a major impact on the problems of unemployment that affect a developing country."

(**The Hindu**, Madras and **The Ceylon High Commission**, New Delhi)

[Prev. ref. 8491:CEY:A]

B. Loan From Britain: An Agreement under which Britain will provide a loan of £4 million to Ceylon was signed in Colombo on July 5.

The money will be used for the purchase from Britain of items such as fertilizers, agricultural and industrial machinery, tractor components, commercial vehicles, port equipment, marine engines, fishing gear, refrigerated milk vans and engineering stores.

The loan is interest-free and is repayable over a period of 25 years including an initial three-year grace period, as were the seven previous loans signed since November, 1965, and will bring Britain's total loans to Ceylon since that date to £17.21 million.

This loan is part of the British aid pledged at the meeting of the Aid Group in Paris in March when Ceylon's economic situation and import needs were considered.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 8871:CEY:A]

CHINA

A. Attack By Soviet Gun-boats And Planes Alleged: Peking Radio *on July 8 charged that Soviet armed units, gunboats and airplanes had intruded into Chinese territorial waters and air-space in Heilungkiang province in north-east China.*

In a Chinese-language broadcast monitored in Tokyo, **Peking Radio** said the charge was contained in a Note delivered to the Soviet Embassy in Peking. The alleged intrusion took place at 9 a.m. on July 8.

The Note was quoted as saying that the intrusion took place on the Bata island district which is on the Chinese side of the main channel of Heilungkiang. Soviet frontier guards embarked on the island and opened fire at the Chinese inhabitants and militiamen who were engaged in production. "The Chinese militiamen were forced to hit back in self-defence under intolerable circumstances. The intruders were driven back." It was not known whether there were any casualties.

Later, a Soviet gunboat had intruded into the vicinity of Bata island and carried out shootings at the island in "a frenzied way." In the afternoon, two gunboats intruded into the same area. Civilian houses on the island were burnt. It added that six aircraft also flew over the island on many occasions.

The protest Note denounced the Soviet Union for carrying out fresh armed provocations on Chinese territory. "The Chinese Government raises the demand that the Soviet Government must not in words but in reality, immediately stop its intrusion into the Chinese territory," it said.

"The Chinese Government solemnly warns the Soviet Government that if you stubbornly go on persisting in your policy of carrying out aggression and armed provocations against China, you are bound to meet with more serious punishment from the Chinese people. The Soviet Government must take full responsibility for all serious consequences arising therefrom."

An earlier Chinese protest at Russian air intrusion had been made in the weeks immediately after the Soviet invasion of Czechoslovakia. At that time, probably, the Russians were seriously disturbed lest the adverse Chinese reaction to the invasion should prompt China to try to seize an advantage by some incursion across the border in the east.

The Chinese had alleged at the time that there had been many previous intrusions into their air-space.

Mr. A. Gromyko's Charge:

The Soviet Foreign Minister, Mr. A. Gromyko, in a speech at the opening of the Supreme Soviet in Moscow on July 10 accused China of preventing progress at the border talks in Khabarovsk (see page 9086).

He declared that "even our most rabid enemies have never used such unworthy methods" as China was now using against the Soviet Union.

He observed that even on such a "narrow question" as navigation on border rivers, with which the Khabarovsk talks were dealing, "it is difficult to say so far anything about the outcome of these talks in view of certain statements made from the very start and later by the Chinese representatives and the recent new provocation by the Chinese side on the Amur River."

He cautiously welcomed American initiatives for a **summit** meeting and arms limitation talks and repeated Soviet proposals for a European security conference and an Asian collective security arrangement.

He said USSR "cannot be passive" to any development affecting its own security and that of its allies. The Warsaw Pact "will never allow any one to encroach on the security of its members and the gains of socialism in these countries."

"The allegations that socialist countries favour a somewhat curtailed, and not full, sovereignty for States should be firmly rejected. This is nothing but slander," he added in what was clearly a reference to the so-called "Brezhnev doctrine of limited sovereignty."

He said that the Soviet proposal—vague, so far—of a collective security system in Asia "has met with a broad international response, particularly in Asian countries."

(**The New York Times** and **The Times,** London)

[Prev. ref. 9062:CHI:A]

JAPAN

A. Tokyo Metropolitan Elections: The Liberal Democratic Party (LDP) on July 13 secured the largest representation in the 126-member Tokyo Metropolitan Assembly by winning 54 seats against 35 it had held in the old Assembly.

Figures for the other parties were: Japan Socialist Party 24; Komeito 25; Communists 18; Democratic Socialists 4; and Independent 1.

The Socialists suffered a severe setback, losing almost half its seats It had 42 seats in the old Assembly. The Komeito won all the seats it contested—the third time that this party had performed such a feat.

Press commentators said that the Socialist Party was badly beaten because of the low quality of its candidates, many of them dull, elderly, retired trade unionists with little experience of broad social issues, and the incompetence of the party machine.

Socialist organizations had "almost collapsed in Tokyo", one disillusioned party worker commented. The party was full of trade unionists "repeating cliches." No wonder it had performed so miserably.

The Socialist Party is at its strongest in the medium-size cities of Japan, not in the big cities. So it was the communists, who doubled their representation to 18 seats, and the Komeito who benefited from social distress, not the Socialists.

The Tokyo municipal elections have long been considered the barometer of Japan's political feeling.

(**The Japan Times,** Tokyo and **The Times,** London)

[Prev. ref. 7552:JAP:A]

B. Plea For Total Nuclear Test Ban: Japan's attitude towards problems of disarmament was outlined on July 4 at the Disarmament Committee in Geneva by the country's chief delegate, Mr. Koichiro Asakai.

He called for a complete ban on nuclear weapons tests and a halt in the production of fissionable nuclear materials for weapons.

He said that though Japan agreed to the view of prohibiting military use of the ocean floor, in principle, it could support the proposal that would ban purely defensive devices from seabeds.

For verifying compliance with an underground nuclear test ban Agreement, he said, Japan would like to suggest installation of unmanned seismological observatories and exchange of seismological observation data.

He hoped that progress would be made in US-Soviet talks on reduction of strategic missiles.

He welcomed the accumulation of collateral measures for disarmament including the Partial Test Ban Treaty, the Outer Space Treaty and the Nuclear Non-Proliferation Treaty. "In promoting these collateral measures, however, we must always take into account the fact that they must be such as to help maintain and strengthen world peace at each stage."

He said that Japan attached special importance to the US-Soviet Agreement on the principles for general and complete disarmament concluded in 1961, which said that "all measures of general and complete disarmament should be balanced so that at no stage of the implementation of the Treaty could any State or group of States gain military advantages and that security is ensured equally for all."

(The Japan Times, Tokyo)

[Prev. ref. 8148:JAP:B, 9022:AOA: C]

C. Controversy Over White Paper On National Living Environment: The Cabinet in an unprecedented step on July 4 decided to withhold approval of a White Paper on the national living environment in 1968 which emphasized the need to improve the people's welfare.

The Finance Minister, Mr. Takeo Fukuda and several of his colleagues raised strong objections to a part of the White Paper which pointed to Japan's lag in social welfare.

The White Paper had been submitted to the Cabinet by the Director of the Economic Planning Agency, Mr. Wataro Kanno.

Mr. Fukuda questioned the fact that the White Paper used the number of public libraries and the park area to compare the statuses of Japanese and Americans in social facilities for leisure. He argued that the number of libraries and parks were an insufficient yardstick for the comparison intended. He complained that the results of comparison left the impression that the Government was urging people to enjoy their leisure more.

Mr. Fukuda is known to hold a critical view of the recent emphasis in the Japanese society on consumption and material comfort.

Cabinet Ministers were apparently annoyed with frequent observations in the White Paper pointing to deterioration in the living environment for Japanese people brought about by industrial and traffic hazards and frequent accidents. The Ministers also disagreed with the sub-title of the White Paper which urged that priority be given to improvement of living standards. They argued that this would give the impression that the Government was encouraging people to concentrate on their happiness or what Japanese call "my home-ism."

Mr. Kanno agreed to re-write the sections of the White Paper disputed by the other Ministers.

Main Features:

In the text submitted to the Cabinet meeting, the White Paper singled out health, safety, comfort, creativity and equality as the five basic objectives for achievement of an "affluent society of the future."

The report has two chapters—the first concerns itself with the analysis of the "trends in national living environment" and the second with recommendations for measures by the Government to raise the living standards of the people.

In the first chapter, the report said that, while both income and spending of the people had risen, discontent about the unsatisfactory living environment resulting from relative lags in social spendings had also increased during 1968. It reported that a "feeling of poverty" was becoming increasingly noticeable among the people. This was due to increases in public hazards, housing and traffic problems, the outflow of young people from farms, disturbances on university campuses and the problem of the aged.

While the gap had narrowed in the living standards of urban and rural communities on the economic side, the people had begun to complain more about social distortions and inequalities and the lag in opportunities for education and social advancement.

In its analysis of the people's living standards last year, the report said that in 1968, personal income rose by 15.9 per cent from 1967 compared with 16 per cent in 1967.

Personal savings rose by 19.7 per cent in 1968 as compared with 19.4 per cent recorded in 1967, while ownership of cars, colour television sets and coolers became even more widespread among the people.

On the spending side, it said, consumer spendings in 1968 rose by 15.1 per cent in nominal terms and 9.4 per cent in real terms.

The **per capita** spending of farming households last year was 87.9 per cent as compared with 100 for the average spending by the families of salaried workers, indicating that the gap between the two categories had narrowed by eight points in three years.

(The Japan Times, Tokyo)

[Prev. ref. 8149:JAP:C, 8254:JAP: B]

D. Aid To Indonesia: Japan and Indonesia initialled in Tokyo on June 28 Notes of Exchange concerning Japan's aid of $120 million to Indonesia for the current fiscal year ending on March 31, 1970.

The Notes were signed at a brief ceremony held at the Foreign Ministry between Mr. Tsunemitsu Ueda, Director of the Foreign Ministry's Economic Co-operation Bureau, and Mr. Widjojo Nitisastro, Chairman of the Indonesian National Development Planning Board.

Japan's aid under the accord included $55 million in the form of commodities, development aid worth $10 million and food aid worth $10 million under Kennedy Round tariff-cutting talks.

In addition, it would provide Indonesia with $45 million worth of various kinds of aid for dam construction, fertilizers and rice. This aid would be extended in the next or subsequent fiscal years.

(The Japan Times, Tokyo)

[Prev. ref. 8496:IND:A]

LAOS

A. Removal Of North Viet-Namese Troops—Request To Britain And Soviet Union: The acting Foreign Minister, Mr. Khamphan

Panya, told a news conference in Vientiane on June 30 that his Government had asked Britain and the Soviet Union to help terminate the fighting in the country and get North Viet-Namese troops out.

Messages from his Government had been handed to the diplomats of the two countries which were co-Chairmen of the 1962 Geneva Conference on Laos.

The messages protested at the alleged North Viet-Namese attack on Muong Soui (see page 9095), a strategic town 160 km north of Vientiane which fell to the Pathet Lao forces a few weeks before. The Minister stated that North Viet-Namese prisoners taken at Muong Soui would be shown to newsmen soon.

In Moscow, the British Ambassador, Sir Duncan Wilson, called at the Foreign Ministry the same day (June 30) to discuss the situation in Laos.

An Embassy spokesman said that he was received by Mr. Mikhail Kapitsa, head of the Ministry's South-East Asia Department, but could give no details of their discussion.

Observers in Moscow noted that past British overtures of this nature had met with no response from the Soviet Government, which had maintained that the tense situation in Laos was due solely to US military intervention.

Military Claims:

On July 4, a Defence Ministry spokesman claimed in Vientiane that Government forces had re-occupied the strategic mountain area of Phou Soung and were continuing to push towards Muong Soui. The mountain is about 10 km east of Phou Koun, where Government forces earlier claimed that they had beaten back an attack by North Viet-Namese troops. There had been a lull since the recapture of Phou Soung.

Gen. Kouprasith, commander of the Fifth Laos Military District, said that many of the 100 North Viet-Namese killed at Phou Koun had fought to the last bullet. The Communists had been vulnerable to air strikes and could not receive new supplies or escape from their trenches once their retreat route had been cut off.

He also disclosed that Government troops had uncovered a big communist cache on June 26 at Saladendin, about 30 km north of Paksane. Another large arms cache was discovered earlier this year at Xieng Khouang, 192 km north-east of Vientiane. (Xieng Khouang was re-captured by Pathet Lao and North Viet-Namese forces in June).

According to Press reports, most military observers did not believe that despite big efforts by Government forces, they had the ability to recapture Muong Soui.

(**The Times,** London and **The New York Times**)

[Prev. ref. 8441:LAO:A, 9014:LAO:A, 9095:LAO:A]

PAKISTAN

A. **Bulgarian Loan:** It was announced in Sofia on July 12 that Bulgaria would grant a $8 million loan for the purchase of Bulgarian equipment and installations.

The loan would be repaid by the supply of Pakistani goods to Bulgaria.

(**The Pakistan Times,** Lahore)

[Prev. ref. 7082:PAK:G]

B. **Book On Islam Banned:** The military Government banned on July 12 a book on Islam by Dr. Fazlur Rahman, a former official adviser on religious affairs.

Riots over the book—called **Islam**—*forced Dr. Rahman's resignation last year as head of the Islamic Research Institute.*

(**The Times of India,** Bombay)

VIET-NAM (DR)

A. **Memorandum On Peace Settlement:** To mark the 15th anniversary of the Geneva Agreement on Viet-Nam, the Foreign Ministry in Hanoi issued a memorandum re-iterating that any settlement of the Viet-Nam problem would be possible only if independence, unity and territorial integrity of the country were guaranteed.

It said that the basis of a solution could be found in the 10-point plan of the National Liberation Front of South Viet-Nam (see page 9001).

The memorandum said: "As long as the United States forces are in South Viet-Nam, the South Viet-Namese people cannot have a really free and democratic election free from foreign interference. If the United States means to respect the South Viet-Namese people's right to self-determination through really free and democratic elections, it must not oppose the establishment of a Provisional Coalition Government with a view to holding free General Elections as provided for in the 10-point overall solution of the South Viet-Nam National Front for Liberation."

The memorandum described the formation of the Provisional Government of the Republic of South Viet-Nam and its Advisory Council as "a historic event marking a new and very great victory of heroic South Viet-Namese people. It is a brilliant outcome of military, political and diplomatic victory and inevitable development in the struggle for the rights of the masses of South Viet-Nam that the South Viet-Namese people have been waging for the past 15 years and especially since early 1968.

"The Provisional Revolutionary Government of the Republic of South Viet-Nam is a legal government and the authentic representative of the South Viet-Namese people. It has decided to mobilize the South Viet-Nam armed forces and people to fight until there is not a single foreign aggressor on Viet-Namese soil.

"Since taking office, the Nixon Administration has obdurately refused the unconditional withdrawal of its troops and those of other foreign countries belonging to the US camp from South Viet-Nam. It continues to support the Thieu-Ky-Huong puppet administration and to oppose the South Viet-Nam people's right of self-determination."

Over the past 15 years, the Government of the Democratic Republic of Viet-Nam and the Viet-Namese people had unceasingly remained faithful to the fundamental principles of the Geneva Agreements and had fulfilled their obligations under these Agreements. "After repudiating the Geneva Agreements the United States has been compelled to state its readiness to respect them, but it only distorts them. It has, however, met with miserable failure. The fundamental principles of the 1954 Geneva Agreements on Viet-Nam have firmly stood despite all attempts of sabotage by the United States and its lackeys."

(**Consulate-General of the Democratic Republic of Viet-Nam,** New Delhi)

[Prev. ref. 8999:RVN:A]

VIET-NAM (RVN)

A. **President Thieu's Six-Point Plan For Elections:** President Nguyen Van Thieu proposed on July 11 the establishment of an Electoral Commission to arrange free elections in the country. To ensure free and fair elections, all parties and groups, including the National Liberation Front, could be represented on the Commission.

He declared: "To move the peace negotiations forward, I feel that a major initiative is needed. To that effect, we are willing to make, as another act of goodwill, a comprehensive offer for the political settlement of the conflict."

He said that both sides in the struggle had said that internal affairs should be decided by the South Viet-Namese themselves in a free and democratic fashion. The only way for people of South Viet-Nam to exercise their right of self-determination was through elections in which they could genuinely express their choice, free from fear and coercion.

He said that free election could be based on six principles, including supervision by an international body. These six principles were:

"(1) All political parties and groups, including NLF, can participate in the elections if they renounce violence and pledge themselves to accept the results of the elections.

"(2) To make sure that the elections would be conducted in all fairness, an Electoral Commission could be set up, in which all political parties and groups, including NLF, could be represented. The Election Commission will assure equal opportunities in the campaigning to all candidates. It will also enable all political parties and groups to participate in watching the polls to see to it that they are honestly counted.

"(3) An international body is to be established to supervise the elections, and to make sure that the elections are held under conditions fair to all.

"(4) We are prepared to discuss with the other side the time-table and the modalities under which the elections will be held.

"(5) There will be no reprisals or discrimination after the elections.

"(6) The Government of Viet-Nam declares that it will abide by the results of the election, whatever these results may be. We challenge the other side to declare the same."

American Support:

In Washington the same day (July 11), President Nixon said that "if Hanoi is ready for serious negotiations and free elections, the proposals made today by South Viet-Nam should open the way at last for a rapid settlement of the conflict."

Mr. Nixon said in a statement that "if the other side genuinely wants peace, it now has a comprehensive set of offers which permit a fair and reasonable settlement." If Hanoi "approaches us in this spirit, it will find us reasonable."

He added that "Hanoi has nothing to gain by waiting."

Proposals Rejected By Hanoi And NLF:

On July 17 in Paris, delegations of North Viet-Nam and the National Liberation Front to the peace talks rejected President Thieu's new peace programme calling for free elections.

But American and South Viet-Namese spokesmen refused to concede that the situation was "utterly hopeless."

The Chief American delegate, Mr. Henry Cabot Lodge, told newsmen after a 4½-hour session: "I am an optimist—unless I am told no 25 times, I am willing to hope for a yes."

In the formal conference session and subsequent news conferences, spokesmen for the North Viet-Namese delegation and the "Provisional" Revolutionary Government of South Viet-Nam (PRG), which represents NLF, came close to saying "no" 25 times.

The strongest statement came from Mrs. Nguyen Thi Binh, head of the PRG delegation. In her formal address, she said PRG "categorically exposes and rejects the so-called solution of free elections as a treachery of the United States and the Saigon administration."

The North Viet-Namese also stressed that they had "denounced, condemned and rejected" the South Viet-Namese programme.

The proposals of July 11 by President Thieu were formally presented to "the other side" at the regular weekly session of the stalled peace talks. Mr. Thieu's peace offer would give representatives of the NLF the right to run as candidates in new elections and to sit on supervisory commissions.

Although the Communists had previously denounced Mr. Thieu's plan as "a swindle," the allied delegations went into the talks publicly hoping for a change of heart. In his presentation Mr. Lodge called the election plan "a momentous step." He said: "If your side rejects these proposals out of hand or even refuses to discuss them, the gravest doubt will be cast on your interest in a negotiated settlement of the war."

The South Viet-Namese delegate, Mr. Pham Dang Lam, said: "Your side has been too precipitous in condemning such a generous and sincere peace offer ... In fact you have no valid reason not to view the proposal as a constructive one."

The North Viet-Namese replied by pressing their ten-point peace plan which calls for the formation of a "peace cabinet" to organize elections followed by the creation of a coalition government.

Mrs. Binh, speaking for the PRG, said Mr. Thieu's condition that the Viet-Cong would have to renounce violence in order to participate in the election was tantamount to asking them "to renounce the right of resistance against the United States for national salvation."

She also pointed out that some important qualifications to Mr. Thieu's offer had been added by South Viet-Nam's Foreign Minister, Mr. Tran Chanh Thanh, who had said that the election plan was not open to avowed communists or candidates who made communist propaganda. She added that Mr. Thanh's statement that the South Viet-Namese Army—"the puppet army"—would insure order during election time made it clear that the proposed mixed Election Commission would have no real power or authority.

The South Viet-Namese and American spokesmen refused to shed any light on the apparent contradictions between Mr. Thieu's original proposal and Mr. Thanh's subsequent remarks. They said that if "the other side" wanted to explore these issues they should do so in direct, private talks with the South Viet-Namese.

The North Viet-Namese delegates gave their full support to the PRG stand. Mr. Xuan Thuy, head of Hanoi's delegation, repeated the North Viet-Namese argument that any elections held under American "guns and bayonets" would be rigged. He said the proposal was obviously the result of public pressure on the Nixon Administration and that the American President's warm welcome for Mr. Thieu's announcement sounded "like a mother who praises her child when it sings."

In a question-and-answer session after the conference, he justified the negative Communist attitude to Mr. Thieu's plan by saying that the allies had consistently rejected the Viet-Cong's ten-point peace programme. He said this programme deserved "a serious response." He repeated this answer several times when asked if Hanoi's rejection of Mr. Thieu's plan was "final" and "decisive."

(The Times, London and The New York Times)

[Prev. ref. 8999:RVN:A]

YEMEN

A. Gen. Hassan al Amri Resigns As Premier: The UAR's West Asian News Agency disclosed on July 8 that the Prime Minister, Gen. Hassan al Amri, had resigned.

Mr. Qadi Abdul Rahman al Iryani, President of the Republican Council, had accepted the resignation, which Gen. Amri said was due to "health reasons and strain."

(The Times of India, Bombay)

[Prev. ref. 8573:YEM:A]

ASIA OUTSIDE ASIA

A. Man Lands On Moon—"Apollo-XI's" Historic Adventure: Man's most daring adventure yet began on July 16 when **Apollo-XI** space-craft, with three astronauts on board, was hurled into space from Cape Kennedy in USA on a pioneering nine-day journey to the Moon and back. Two of them—Neil M. Armstrong and Edwin E. Aldrin—landed on the Moon at 1.48 a.m. (IST) on July 21. The third *astronaut, Michael Collins, remained in the command ship "Columbia."* Armstrong and Aldrin landed on the Moon in a Lunar Module (LEM) called "Eagle". They walked on the Moon for about 2½ hours, had a sleep in the LEM for about four hours—they spent altogether 9½ hours on the Moon—and blasted away to dock with the command ship "Columbia" and returned to Earth. They splashed down in the Pacific near Hawaii on 10.27 p.m. (IST) on July 24. The capsule landed upside-down in the sea, the only major flaw in an otherwise perfect mission.

This had happened earlier with **Apollo-VII** and **Apollo-VIII** with no danger to the crew.

The two men went "in peace for all mankind." It was the fulfilment of a dream countless generations of mankind had dreamt of, a commitment President John F. Kennedy had made when he declared landing a man on the Moon in this decade and bringing him back safely a national goal of the United States.

The historic landing came 11 years, nine months and 16 days after the Space Age was inaugurated by the Soviet Union by putting into orbit **Sputnik I,** the first artificial satellite, on October 4, 1957. It came eight years, three months and eight days after Yuri Gagarin orbited the Earth on April 12, 1961 to become the first spacefarer.

Story Of Voyage:

Despite the enormous complexity of operation and the extreme intricacy of vehicles and machinery employed, the whole mission was, from start to finish, flawless.

The 93-hour count-down was as smooth as could be wished, and at tne end of it precisely at 7.02 p.m. on July 16, the mighty 363-foot-high, 3,817-ton Saturn-V roared into space. The rocket screamed on its pad just for 8.9 seconds as a computer system made certain that all five booster engines generated a total 700,000-lb thrust. When the computer sensed that all was well, it commanded four 40,000-lb steel restraining arms to flip back to free the pulsating giant. With agonizing slowness, the rocket, with the three astronauts aboard, then rose on a white pillar of fire, gradually picking up speed as its hungry power plant gulped fuel at the rate of 15 tons a second. Twelve seconds from lift-off the guidance system tipped the rocket slightly on to a south-east direction and it sped *out over the Atlantic into a planned parking Earth orbit.* After it had orbited the Earth 1½ times in 2-1/2 hours, the third stage of the rocket burnt for just five minutes and 29 seconds, to wrench **Apollo-XI** out of the hold of terrestrial gravity. With a jolt the rocket's speed increased from 28,000 km per hour and inserted itself into a planned 73-hour lunar trajectory..

About three hours and 11 minutes after take-off, when the rocket was well settled in its course towards the Moon, the command-service module section separated from the launch rocket's third stage, turned around and then docked with the Lunar Excursion Module (LEM) stored in the rocket's garage section. With this operation, the launch phase of the **Apollo-XI** mission had been completed with mathematical precision.

Early on the morning of July 20, the LEM pilot Aldrin entered the module "Eagle" through a narrow tunnel connecting it with the Command Module, "Columbia," for inspection. The LEM had not been checked since the blast-off on July 16. If the fragile vehicle had been damaged during take-off, the lunar landing mission would have had to be called off. However, there was nothing amiss. Finding that the module was in perfect condition, Aldrin returned to the Command Module for an eight-hour rest, after which he and Armstrong were to begin the hazardous descent to the lunar surface.

At 11-30 p.m. on July 20, the "Eagle,' 'with Armstrong and Aldrin aboard was separated from the main Apollo ship commanded by Collins, but it was not until an hour later that it was put into a descent orbit. After one hour, the two astronauts cautiously led the Lunar Module out of its 'descent orbit' into a 'powered descent path.' It came down in an arc braking its speed with the descent engine, but seeing it heading towards a crater littered with rocks and boulders, they took manual control of the craft and landed at a level site. It touched down softly in the Sea of Tranquillity at 1.47 a.m. about four miles away from the original targeted landing site.

The high point in the astounding lunar drama was set for 11.47 a.m. (IST) on July 21 when Armstrong was scheduled to step out on the Moon, but the two astronauts were so excited by the momentous achievement that Armstrong asked for permission to advance the 'Moon walk.' The Mission Control at Houston readily agreed. Accordingly, donning his bulky space suit that gave him the life-sustaining environment of his planet, Armstrong crept laboriously down the nine-step ladder at the side of the Lunar Module and stood on the soil of the celestial body at 8-16 a.m. (IST) on July 21. His excitement could be measured from the fact that his heart beat rate for the first 30 minutes doubled as he stood on the Moon.

Twenty minutes after Armstrong had ventured forth alone on the Moon, Aldrin joined him for a busy two-hour exploration of the new world, and also for doing certain miscellaneous chores. The two together collected about 27 kg of rock samples, installed the "peace plaque" and the US flag on the Moon, placed a micro-film of messages from world leaders, and set up three experiments. One experiment consisted of establishing on the Moon a sensitive seismometer which would record any moonquakes and relay them to Earth. Selenologists hope to learn by the experiment a lot about the physical make-up of the Moon and the processes that go on inside it. [Subsequently, it was found that the seismometer was registering nothing, not even the trembling caused by the Lunar Module's take-off from the Moon's surface]. A second experiment related to installing a laser instrument that would enable scientists to measure the distance between the Moon and the Earth at any time to within 15 centimetres of the exact figure. From the figures thus obtained for various time factors, the scientists believe, it would be possible to have a better understanding of the nature of gravity and other connected fundamental questions. The third experiment was more simple as it involved suspending an aluminium foil against sunrays. When exposed to the constant stream of particles expelled by the Sun, it would trap rare gases such as argon, krypton, zenon, neon and helium. Brought back to Earth in a vacuum box, the trapped gases are expected to give scientists new insights into the Sun and the solar wind that blows through the solar system.

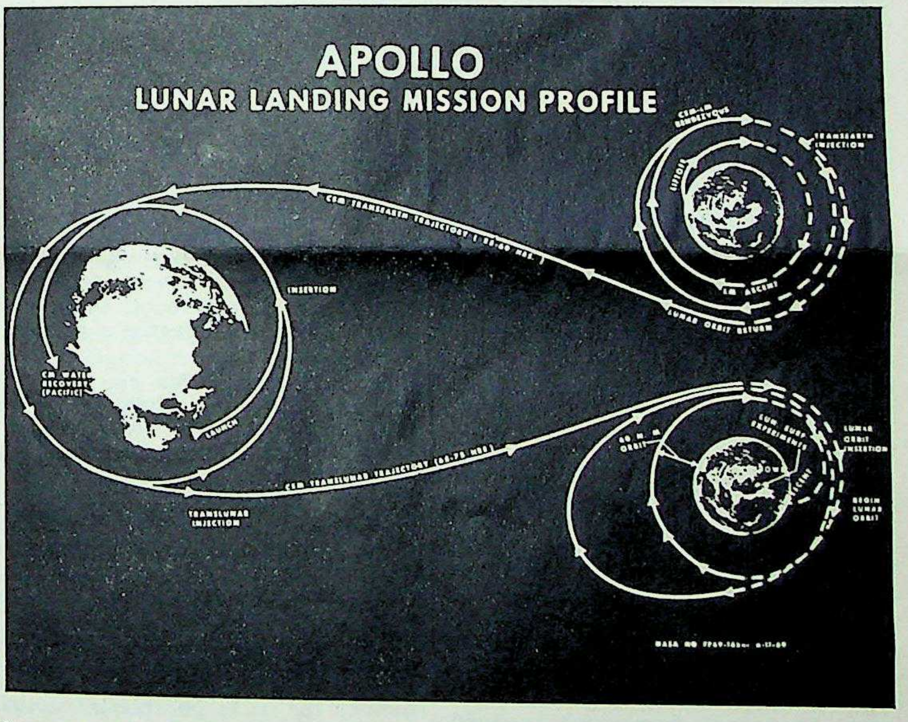
The most highly-prized trophy in the Moon expedition was undoubtedly the 27 kg of rock samples the astronauts brought back with them. Interest in these specimens had sharpened considerably since Aldrin reported that some of the rocks he dug up were "almost wet". Now speculation was rife that there might indeed be water on the Moon, and if there was water, life could also be present. Presence of water also would raise enormous other possibilities, like colonizing the Moon and setting up industries there. But even if they found no water on the Moon ultimately, the rock samples were expected to provide answers to a number of vexing questions. It would be possible to deduce from the rock sample, for instance, the probable age of the Moon, its origin and the major elements that constitute it. It is said that since there is no atmosphere on the Moon, there has been no weathering of its rocks, and so geologically the Moon's past and present are one. It means that clues to the events of billions of years must be strewn across its surface with indisputable clarity.

During their 2½-hour ramble on the Moon's surface, the two astronauts described the new world in vivid detail. Armstrong found the lunar surface fine and powdery which adhered like powdered charcoal to the sole and outside of his boots. There was not the least difficulty in moving about on the lunar surface because of the low gravity. Armstrong, describing a relatively level plain in front of him, said that there were a number of craters from five to 50 feet in diameter and that some ridges were 20 to 30 feet high. There were also thousands of little, one and two-foot craters. He described a hill on the ground track ahead of him, but its distance from him could not be estimated—it could be half-a-mile or might be one mile. [On the Moon, in a desert, estimation of distances is very tricky]. He said that the targeted area where the Lunar Module was scheduled to land originally was extremely rough with a large number of small craters and big boulders, some much larger than five to ten feet in size.

Armstrong confirmed previous reports by **Apollo-VIII** and **Apollo-X** astronauts that the Moon was essentially light chalky gray. "Some of the surface rocks that have been fractured by the rocket engine plume are light gray on the outside, but where they have been broken they display a dark, very dark gray interior and looks like country basalt". He gave it a poetic touch: "It (the Moon surface) has a stark beauty all its own. It is different, but it is very pretty out here". On the strength of lunar ground, he said, the spacecraft's foot pads had pressed only an inch or two into the soft lunar surface. His own boots sank only a "small fraction—about one-eighth of an inch".

Aldrin and Armstrong, doing their chores on the lunar surface. were behind schedule by about ten minutes; so, to complete their assigned work they asked for extra time to spend on the Moon. This was granted, but even then a minor sample experiment had to be cancelled for lack of time. Then, after repeated proddings from ground control, the first men on the Moon returned to the Lunar Module, sealed the hatch and settled down for a well-earned rest.

The Houston Control Mission awakened the men from their first sleep on the Moon at 8-30 p.m. (IST) —on July 21—after six hours to get ready for the scheduled lift-off from the Moon at 11-23 p.m. (IST). The "Eagle's" lift-off was the most dangerous part of the project after the actual Moon landing. For instance, if the ascent engine of the Lunar Module failed to respond, the two men would have been left behind and died through lack of oxygen within a short while. But the engine fired exactly at the scheduled moment and for exactly the period pre-planned—seven minutes and 18 seconds. Three minutes from lift-off, "Eagle" achieved its maximum thrust and soared away from the Moon into an elliptical orbit. It then chased the Command Module in orbit 112 km above and 70 km ahead, and later docked with it. When Armstrong and Aldrin rejoined Collins in the Command Module, after some "jerking around", "Eagle" was jettisoned and left behind to remain in lunar orbit and eventually crash on the Moon's surface.



At 10-27 a.m. (IST) on July 24, the last lap of their longest ever journey was begun. With a strong burst of fire they accelerated the Command Module to jerk it out of the lunar orbit and put it on a trans-Earth trajectory 73 hours and 400,000 km long. The firing was exactly right and the correct path was achieved without a hitch.

Since the launching from Cape Kennedy on July 16, Neil Armstrong, Edwin Aldrin and Michael Collins had travelled 1,532,000 km through space and orbited the Moon Moon for 59 hours.

The Time-Table:

Below are the highlights of their historic mission (all timings IST):

July 16:

7.02 p.m.: Saturn rocket blasted off from Cape Kennedy to hurl into space **Apollo-XI** carrying astronauts Neil A. Armstrong, Edwin E. Aldrin Jr. and Michael Collins;

9.46 p.m.: Third stage of rocket was fired to raise speed from 17,400 miles per hour to 24,200 mph. and **Apollo-XI** moved out of Earth orbit towards the Moon, 230,000 miles away;

11.11 p.m.: The astronauts separated command ship, pivoted around and linked up nose to nose with lunar module "Eagle", pulling it free from its lodging atop the third stage.

July 17 and 18:

Apollo-XI continued its journey to the Moon. The astronauts made mid-course corrections, as necessary. During this period, they made two colour television transmissions.

July 19:

10.56 p.m.: **Apollo-XI** went into elliptical orbit around Moon.

July 20:

4.44 a.m.: Aldrin opened tunnel and entered lunar module for test;

6.51 a.m.: Aldrin returned to command ship;

6.27 p.m.: Aldrin entered lunar module for hop to Moon;

6.52 p.m.: Armstrong joined Aldrin in lunar module;

11.20 p.m.: Lunar module separated from command ship in which Collins was left alone.

July 21:

1.49 a.m.: Lunar module landed in Sea of Tranquillity with its precious human cargo. Man arrived on the Moon. For the next ten hours, Armstrong and Aldrin remained in the LEM checking equipment and making other preparations.

11.42 a.m.: Armstrong opened LEM hatch and began descent on ladder attached to one of its landing legs; on the second rung he paused to open a compartment containing a black-and-white television camera.

11.47 a.m.: Armstrong stepped on the Moon to become the first man to walk on a celestial body.

12.12 p.m.: Aldrin joined Armstrong on the lunar surface. For the next two hours the two astronauts planted the US flag, gathered soil and rock samples, planted scientific equipment to be left behind and took photographs.

2.12 p.m.: Armstrong and Aldrin returned to Lunar Module and for the next nine hours they remained on the lunar surface in LEM.

11.25 p.m.: LEM ascent engine was fired to lift off using descent as launching pad.

July 22:

3.02 a.m.: Command ship docked with LEM. Armstrong and Aldrin then rejoined Collins in the main ship through tunnel.

6.55 a.m.: LEM was jettisoned in lunar orbit.

10.27 p.m.: **Apollo-XI** engine was fired to blast out of lunar orbit and begin return journey to Earth.

For the next 2½ days the spaceship continued the homeward journey and the astronauts made mid-course corrections.

July 24:

7.08 p.m.: Mid-course correction.

9.54 p.m.: Command module, with the three astronauts on board, entered Earth's atosphere.

10.14 p.m.: Main parachutes of **Apollo-XI** were opened.

10.21 p.m.: Splash-down in the Pacific Ocean, about 400 miles south-west of Hawaii.

President R. Nixon's Telephone To Moon:

In a telephone talk to the two men on the Moon, President R. Nixon said that through them "the heavens have become a part of man's world."

He told them: "For one priceless moment in the whole history of man, all the people on this Earth are truly one: one in their pride in what you have done and one in our prayers that you will return safely to Earth."

Armstrong replied: "Thank you, Mr. President. It is a great honour and privilege for us to be here representing not only USA but men of peace of all nations, men with interest and the curiosity of man's exploration of the future. It is an honour for us to be able to participate here today."

Mr. Nixon then added: "And thank you very much and I look forward—all of us look forward—to seeing you on the **Hornet** (the US Navy's **Apollo-XI** recovery aircraft carrier) on July 24."

Aldrin ended the conversation by saying: "Thank you very much, sir".

Armstrong was the first to set foot on its alien soil warming in the lunar sunrise. His first words at that moment were: "That's one small step for a man, one giant leap for mankind.

"The surface is fine and powdered, like powdered charcoal to the soles of my boot. I can see footprints of my boot in the fine particles."

He stepped first on to one of the four saucer-like footpads of his spacecraft. Then the Moon. He was in the bitter cold of lunar shadows as the camera caught the sight of his left foot pressing into the lunar soil.

Before he was joined by Aldrin, Armstrong scoured the surface of the Moon, appearing phosphorescent in the sunlight, his white suit blinding. He unveiled a plaque fitted to the leg of the descent stage of the Lunar Module and read out aloud the words on it:

> "Here men from the planet Earth first set foot upon the Moon, July 1969 AD. We came in peace for all mankind."

The plaque remains behind on the Moon.

Looking about him, he said: "It has a stark beauty all its own. It is different. But it is very pretty out here."

On the effect of the Moon's gravity, he said: "You have to cross your foot over to stay under where your centre of mass is."

LEM's Vital Statistics:

The Lunar Excursion Module (LEM), which helped man turn space fiction into space fact, was born amidst doubts and uncertainties. The story of its birth is fascinating. Starting from a few drawings, it grew into a sensitive instrument of manned Moon landing. Its flanks were made of wafer-thin aluminium and they could never stand exposure to the atmosphere of the Earth.

The ladder by which the astronauts stepped on to the surface of the Moon was specially made for the one-sixth gravity of the Moon. If the ladder is used on the Earth it could very well come apart. Below are the vital statistics of the LEM:

Weight (empty) approximately: 32,500 lbs.

Height (with legs extended): 22 feet, 11 inches.

Weight (with propellant and crew): 9,000 lbs.

Diameter (diagonally across landing gear): 31 feet.

Habitable volume: 160 cubic feet.

Ascent stage height: 12 feet, 4 inches.

Ascent stage weight (empty): 4,850 lbs.

Ascent stage width: 14 feet, 1 inch.

Ascent stage engine thrust: 3,500 lbs.

Descent stage height (landing gear extended): 100 feet, 7 inches.

Descent stage width (at widest point of its octagonal shape): 14 feet, 1 inch.

Descent stage weight (empty): 4,300 lbs.

Descent stage engine thrust: Throttleable from 1,050 to 9,710 lbs.

Diameter of footpads: 37 inches.

Moon's Wetness May Be Due To Glycerol:

What is the Moon's wetness due to?

Amidst growing speculation about the nature of the liquid below the Moon's surface, as reported by the US astronauts, Neil Armstrong and Edwin Aldrin, a scientist in New Delhi has put forward a hypothesis of this liquid.

According to Dr. B. K. Nayar of the Council of Scientific and Industrial Research, it could not be water. The wetness will most probably be due to glycerol, a pure form of common glycerine.

Water could not exist in a liquid form on lunar surface at its high temperature of 117 Centigrade, 17 degrees higher than the boiling point of water on Earth.

Dr. Nayar says that glycerol satisfies all known facts about interplanetary space. It has a high boiling point, low vapour pressure at Moon temperatures, low thermal conductivity, and a structure consisting of hydrogen, oxygen, carbon, water, ammonia and formaldehyde.

Glycerol has a boiling point of 290 degrees Centigrade, vapour pressure of about a m.m. at the highest Moon temperature of 117 degrees Centigrade, and thermal conductivity of about half that of water.

The sweet, thick, non-toxic, edible glycerol existing on the Moon, he says, might have been the Biblical "manna" which dropped as honey from the heavens to feed the desert wanderers in ancient times.

Indian Parliament's Homage:

The two Houses of the Indian Parliament applauded the American Moon-walkers, Armstrong and Aldrin on July 21, the Lower House allowing itself the liberty of offering a standing ovation to the space heroes.

The Premier, Mrs. Indira Gandhi led the Lok Sabha in offering its tribute to the two Moon-walkers. The third of the trio, Michael Collins, manning the command ship "Columbia", was not forgotten. Mrs. Gandhi made specific mention of Collins and there was repeated ovation as the Opposition joined the Treasury Benches in welcoming "this greatest of adventures."

NASA Officials On Future Inter-Planetary Travels:

US Space Agency officials said on July 22 that **Apollo-XI's** successful Moon landing demonstrated that man now had the ability to explore all the planets of the solar system —and even aim for the stars beyond.

They added that space travel would not be limited to the young, healthy test-pilot types. One official, aged 55, said he still hoped to go himself.

Dr. George Mueller, Associate Administrator for Manned Space Flights, said there were no practical limits to the exploration of space.

He added: "It seems quite clear that the planets of the solar system are well within our ability to explore—both manned and unmanned—at the present time.

"In order to go to the stars (beyond the solar system), we need to develop a new source of energy—a new source of the giant thrust that is necessary to carry stations from this solar system to its adjacent neighbours in the galaxy.

"However, we at least know in principle what that source of energy could be and it requires only an invention to make it available."

He was referring to nuclear fusion, the source of energy in the Sun and in hydrogen bombs.

Dr. George Gilruth (55), Director of the Manned Space-craft Centre at Houston was asked if he wanted to go into space.

He replied: "I have been hopeful ever since I started working on space —and I know many of us here have—that I will see the time when I could fly into space.

"I'm still hopeful that the next 10 years will see an outgrowth of technology so that one doesn't have to at least be brought into the programme when he is under 40 in order to fly."

Space Station In 1972:

NASA announced on July 23 that America's first manned, earth-orbiting space station would be launched in 1972 to study the Sun and stars.

The announcement marked a change in plans, which earlier called for the first space workshop to be launched in 1971 for medical studies and less elaborate scientific experiments.

Under the new schedule, NASA said, the first two stages of a Saturn-V rocket—the type used to launch **Apollo-XI** towards the Moon —would orbit an unfuelled third stage outfitted on the ground, with a telescopic instrument.

The instrument would enable astronauts to study the Sun and stars above the veil of the Earth's atmosphere. The atmosphere blocks out high-frequency light waves which scientists need to learn a star's age. Such information could provide clues to the origin of the universe.

Space Workshop Plans:

NASA announced on July 22 that USA planned to put a space workshop into orbit in 1972. It said that the third stage of the giant Saturn-V rocket used to send Apollo spaceships to the Moon would be used to house the orbiting laboratory and observatory. The project will study man's physiological and psychological responses in the space environment, and provide more detailed information on the capabilities for extended manned flight.

The workshop is to be fitted out on the ground and will be launched in a 220-nautical-mile circular Earth orbit. It will be occupied by a crew of three astronauts who will follow in a smaller rocket about a day later.

This project, it was said, superseded earlier plans to use a second stage of the smaller Saturn-1B rocket as its first orbiting workshop in 1971.

Future Travel Costs To Moon:

Now that man's oldest dream has been realized, scientists are busy drawing up a balance sheet—the cost and gains of the Moon conquest —to answer critics. It is very hard to convince the critics that the enormous cost in terms of money, material, man-hours and train power ("which could have been used to solve the Earth's mounting problems") has been worthwhile, but facts are revealing. The main arguments against lunar exploration are based on the premise that a voyage to the Moon is too costly an affair ever to become commonplace, and that, at any rate, not much use will flow from it. Both the points are refuted.

According to experts who have worked out the economics of spaceflight, the present cost is no true indicator of expenses in the years ahead. They predict that a round trip to the Moon could be accomplished within the next two decades for as little as Rs. 40,000 per passenger. They maintain that the present high cost is attributable to the primitive state of rocket technology, and to a poor appreciation of celestial mechanics. Developments on three fronts would help to reduce the cost considerably. They are: use of re-usable boosters and space-ships, feasibility of orbital re-fuelling; and nuclear propulsion. Scientists have no doubt that all three will come within the realm of possibility. In fact, some remarkable progress has already been achieved in developing nuclear propulsion systems in space.

To refute the argument that the Moon is not of much use to Earth-bound men, they merely point out that the discovery of the New World almost 475 years ago by Christopher Columbus had had no great impact immediately on the rest of the world; but in less than 220 years, it had materially altered life in Europe and elsewhere. Probably, history is repeating itself. Now man has discovered another new world almost equal in area to the two Americas put together. Who knows that it will not help man to expand his empire and improve his lot substantially? The prospects are extremely promising. In fact, the possibilities are immense.

Astronomers' Paradise:

It is but natural that man's early visits to the Moon will be taken up with exploration of the celestial body and its surroundings. The absence of atmosphere, water, any major forms of life, and the temperature extremes make it an ideal place for certain kinds of observation and experiment impossible on the Earth. For instance, the Moon is an astronomers' paradise. For optical astronomers, it offers a rare view of the universe, unhindered by atmosphere, cloud or dust. Astro-physicists on the Moon will be able to observe the entire range of electro-magnetic radiation from space. On the Earth most of the scientifically significant part of the radiation spectrum like X-rays and ultra-violet rays are not observable on account of atmospheric absorption. Similarly, the Moon's slow rotation on its axis would give them ample time for accurate observations of the heavens. What is more, its weak gravity will facilitate construction of larger and better telescopes than is physically possible on the Earth.

Radio astronomers too will find a base on the Moon extremely rewarding. Like gamma rays and X-rays, a substantial part of the radio frequencies is also absorbed by the Earth's atmosphere: on the Moon, with no atmosphere to interfere with, radio astronomers should be able to unfold a more enchanting scene of the universe than has been possible hitherto. Electronic civilization on the Earth would make the visible side of the Moon as radio-noisy as a beehive, but a station set up on the far side of the Moon should be completely free from any Earth-based electronic interference.

Moon As Launching Pad:

As a launching pad for space exploration, the Moon offers two significant advantages. It takes about 50 tons of fuel to lift one ton of cargo from the Earth's surface into an orbit. This is partly because the gravity of the Earth is strong and partly because the rocket must fight its way through the dense atmosphere. The Moon has no air and only about one-sixth of the gravity of the Earth. So, whereas the velocity needed to escape the Earth's gravity is 39,000 km an hour, the Moon's escape velocity is only one-sixth of that. This means that on the Moon it would be possible to launch spacecraft almost horizontally, using a catapult system on rails. It has been calculated that a payload able to withstand an acceleration 50 times the forces of the Earth's gravity could be launched from the Moon by a four-mile track. Manned ships whose passengers will not be able to withstand so high a G-force would need a track considerably longer, however.

Practical Uses Of Moon:

Though initial use of the Moon will be confined to scientific explorations of a fundamental nature, man will not be able for long to resist making practical use of it. There is no clear idea about the resources available on the Moon, but judging by the Apollo astronauts' observations, mineral resources may be as abundant or as scarce as on the Earth. The significant point is that, being airless and dustless, the Moon surface is congenial for setting up certain industries which require high vacuum and dust-free environment on the Earth. Such an environment can be created on the Earth, but only at considerable cost. Scientists point out that the manufacture of electronic tubes, computer components, hearing aids, etc. which require high vacuum, could be profitably made on the Moon. For certain metallurgical industries also, the Moon seems to be an ideal place. Pure metals can be manufactured only in high vacuum, out of contact with air or dust particles. Similarly, for electron beam welding and cold welding also, high vacuum is essential.

Sceptics, however, say that the Moon is so hostile that man will never feel at home on it. There is no air and water, and its surface temperature fluctuates between unbearable extremes. What is worse, it is some 400,000 km away. But pro-Moon scientists point out that it is exactly its unique features which are going to be valuable to us. They say that an artificial atmosphere congenial to human beings could be created. This has been done at the South Pole. With proper planning, the temperature extremes on the Moon can be exploited to better advantage.

About the distance that separates Moon from the Earth itself, scientists say that in the age of rockets and radio communication, 400,000 km should not cause any undue concern. When Columbus discovered America there was neither steamship, aeroplane nor radio. The news of his discovery reached Queen Isabella across the Atlantic six months later. Yet, Armstrong's Moon walk was seen by billions and billions of people. The world has been steadily shrinking; distances no longer appearing as formidable as they once used to be. Now it is the turn of the solar system.

Soviet Space Feats:

Year after year and more and more successfully, man is advancing into the depths of outer space, and its mysteries are being unveiled.

It was in October, 1957 that a new age was ushered in, the age of space flights, when the Soviet Union orbited the world's first Sputnik.

The first manned space flight in history was accomplished on April 12, 1961 when the Soviet spaceship **Vostok** orbited the Earth and made a soft-landing. The first man in space was Yuri Gagarin.

This unprecedented experiment provided practical proof that man can live and work in conditions of weightlessness, that his organism is capable of withstanding the strains involved in blast-off and return to Earth, and that radiation belts are not too protracted and solar eruptions are not so intense.

As a token of the world's admiration for this feat and to engrave the date in mankind's memory, April 12 has been named Cosmonauts Day in USSR.

Since the world's artificial satellite was launched, the Soviet Union has launched a total of some 300 automatic Earth satellites and a series of automatic lunar and planetary probes, and there have been many epoch-making manned flights in spaceships of the Vostok and Soyuz types.

Ten years ago, in 1959, a Soviet rocket carrying the **Luna** probe first passed close to the Moon. Then came **Luna-II,** the first to reach the Moon. Soviet space vehicles were the first to photograph its far side and **Luna-IX** was the first to make a soft-landing and to transmit the first panoramic views of the lunar surface back to Earth.

In 1965, a Soviet probe, **Venus-III,** reached the planet and effected a smooth descent into its atmosphere.

The automatic link-up in orbit of artificial Earth satellites was first effected by the Soviet Union.

In 1967, **Venus-IV** reached the planet and for the first time in history the descent capsule took direct measurements of the temperature, pressure density and chemical composition of the atmosphere.

A new and resounding victory was scored in outer space when **Venus-V** and **Venus-VI** made a smooth descent in the atmosphere of the planet Venus—**Venus-V** on May 16 and **Venus-VI** on May 17, 1969. The two stations delivered to the planet pennants with bas-relief portraits of Lenin and the image of the State emblem of the Soviet Union. For the first time a scientific study of the atmosphere of Venus was made simultaneously in two areas of the planet.

Gherman Titov's 24-hour flight on August 6 and 7, 1961 gave the first and quite definite answer to the question of the possibility of prolonged stay in outer space. Titov covered a total of more than 700,000 km, enough for a return journey to the Moon. In this respect, his flight was the first experimental proof of the possibility of flying to the Moon.

The spaceship **Vostok-III,** with Andrei Nikolayev aboard, was orbited on August 11, 1962. The next day, the world learned the name of Cosmonaut-4. From now on it was a group flight. The ships travelled along orbits close to each other, with a minimum distance of 6½ km between them. Nikolayev and Popovich were in constant touch in their spectacular twin-flights. Both ships landed on August 15, 1962.

Valery Bykovsky in **Vostok-V** established a new record of 119 hours in June, 1963. When he reached the second day of his space flight **Vostok-VI**, piloted by the world's first woman cosmonaut, Valentina Tereshkova, soared into space. The minimum distance between their ships was about five km.

Valentina Tereshkova stayed up for 71 hours, making 48 circuits around the Earth and covering a distance of about 2,000,000 km. Like her partner Valery Bykovsky, Valentina Tereshkova carried out a programme of observation, checked the operation of all the systems of the ship and maintained communication with Earth and with Bykovsky.

In October, 1964, a powerful booster rocket orbited the world's first multi-seater spaceship **Voskhoda.** It carried on board a crew of three: Engineer-Colonel Vladimir Komarov, Commander and two scientists—Konstantin Feoktistov and Dr. Boris Yegorov. The ship circled the Earth 16 times and 24 hours later, on completion of the programme, safely landed.

The world's first flight of a crew of three Soviet cosmonauts has turned a new significant page in the history of cosmonautics.

In 1968, the Soviet Union carried out another link-up experiment in orbit. Exceptionally important were the experiments conducted with the automatic stations **Zond-V** and **Zond-VI. Zond-V** was the first soft-landing (in the Indian Ocean) of a space vehicle after re-entry into the atmosphere at second astronomic velocity.

The flight of **Zond-VI** showed that it is possible to re-enter at second astronomic velocity and effect a guided descent and landing at a predetermined area making use of aerodynamic lift. Moreover **Zond-VI** re-entered the atmosphere twice, returning after the first re-entry into outer space to dip down into the atmosphere once again at a lower velocity. This considerably reduced heating and overstrains during deceleration in the atmosphere.

In 1968, the Soviet Union launched about 70 cosmic devices designed for a wider range of scientific experiments. The orbital long-range communication system using **Molina-I** satellites is being systematically expanded. The latest **Molina** was launched in April, 1969.

Outer Space Treaty:

The Outer Space Treaty which has been accepted by most countries of the world seeks to ensure peaceful use of outer space.

After long-drawn-out negotiations the Treaty was approved by acclamation by the UN General Assembly on December 19, 1966, and subsequently ratified by the Governments of several countries, including USA and the Soviet Union.

Consisting of a Preamble and 17 Articles, the Space Treaty makes the following main points:

—Outer space and the celestial bodies are considered an international scientific preserve where military bases, weapons and national sovereignty claims are banned.

—The Moon and other celestial bodies shall be used exclusively for peaceful purposes, and shall, with outer space, be free for exploration and use by all.

—Nations are prohibited from placing nuclear or other mass-destruction weapons in Earth orbit or installing them on celestial bodies. [There is none there now and detection systems could readily detect such placement.]

—All nations must unconditionally aid and return astronauts in distress, and launching nations are liable for damages caused by their space vehicles.

—All nations are committed to report activities in outer space to UN and the international community to the greatest extent feasible.

—Tracking station arrangements should be made bilaterally with requests considered on the basis of equality.

Basic Facts Of Moon:

Although many key questions about the Moon remain unanswered, lunar scientists have accumulated an impressive store of basic facts. Here are some of them:

The Moon is a nearly spherical body with a diameter of about 2,160 miles (3,478 km), roughly one-fourth that of Earth. It has one-sixth the gravity and one-eightieth the mass of Earth. Its density is 3.3 times that of water compared to 5.5 for the Earth's density.

All of this means that the Moon is rather small and light in weight, and explains its lack of atmosphere —there is not enough gravity to hold one.

The Moon rotates on its axis once every 27-1/3 days as it circles the Earth in exactly the same length of time. As a result, it keeps the same face (actually up to 59 per cent of its total surface) pointed perpetually towards Earth.

On its elliptical path around the Earth, the Moon comes as close as 221,460 miles (356,650 km) and moves as far away as 252,710 miles (406,863 km). Its mean or average distance is roughly 239,000 miles (384,793 km).

Like the Earth, the Moon has no light of its own, receiving all from the Sun or reflected from Earth. Its days and nights last about 14 Earth days.

Absence of an atmosphere produces fearsome temperatures as high as 250 degrees F (120 degrees C) during the lunar day and as low as minus 280 degrees F (minus 172 degrees C) at night.

Lunar experts generally agree that there is no water on the surface, but some believe it could exist as ice below the surface.

The chances of any form of organic life on the Moon—even the most primitive—are very remote. As one landing lunar scientist once observed, "the Moon is the kind of place where you would put things to sterilize them."

Legends About Moon:

Different communities have their Moon legends. The Khasis (Assam) believe that U Byani (the Moon) was the youngest of four; his three sisters were Ka Sngi (Sun), Ka Um (water) and Ka Ding (fire). The lustrous Byani grew to be a young man of loose morals and had his face smeared with ash for incestuous desire.

Australian tribes thought the Moon was a mischievous being flitting about the universe. Once he swallowed the Sun god, causing the first solar eclipse.

According to an American Indian legend, the Moon was a maiden banished from the Earth because she was always complaining.

The Bomitaba tribe of the Congo believes that the Moon was once a Sun. With two Suns making the Earth very hot, one of them suggested that they both take a bath to cool things a bit. While one made a fake dive, the other plunged into water and emerged as the pale, cool Moon.

The Slavs thought up a formula which answers many questions. The Moon, whose name is Myesyats, was a beauty who mated with the Sun. Their off-spring were the stars. When things did not work out well for the couple, there were Earthquakes.

The inhabitants of the Admiralty Islands had a simpler explanation. *The first inhabitants of the world threw two mushrooms into the sky. One became the Sun, the other the Moon.*

According to the Papuans of New Guinea, the Moon was originally in a pitcher. It escaped when some curious boys opened the pitcher. The boys made a desperate attempt to catch it, and that was how the dark spot came to be there.

Early Prophets:

Apart from its breath-taking techno-scientific achievement, Moon travel is not a new idea. Romantic people have been exercised by it long before they knew for certain that the shimmering disc in the firmament was a world like their own. They had, however, neither any accurate concept of the problems Moon travellers would face, nor any inkling of the complex machinery that would be required to solve them. Thus, Lucian of Samos in the second century AD sent the hero of one of his novels to the Moon with the help of a pair of wings. Almost 1,500 years later, Johannes Kepler, the illustrious German astronomer, transported the hero of his novel Somnium to the Moon by supernatural means (magic). This was unpardonable for an astronomer of his standing, but it could not be helped then. Even scientists were not aware of the problems involved; and worse still, they were not totally free from an age which still believed in magic. Indeed, his own mother had been charged with witchcraft.

Four years after Kepler's story was published, Bishop Godwin's hero in **Man in the Moon** flew to the Moon on a flimsy raft towed by trained swans. During the next two centuries, there was a steady trickle of books about spaceflights. Some were pure fantasy, but others made at least occasional attempts to be scientific. Undoubtedly, the most imaginative fiction writer of this period was Cyrano de Bergerac (Voyage to the Moon and Sun) who used rocket propulsion for the first time, although he did not have any idea of its advantages in space.

By the second half of the 19th century, space fiction had run into difficulties. Too much was known about the problems of inter-planetary flight and science had not progressed enough to suggest ways to conquer them. The literary stalemate was broken by the wizard of space fiction, Jules Verne, with his famous story "From the Earth to the Moon" (1865). It is the first space fiction to be based on sound scientific principles. He knew that there was gravity to be overcome and that there was no air in space. He also recognized the need for an initial escape velocity to get away from the Earth. He knew of rocket propulsion but used it only for steering in space. For the purpose of sending his heroes into space, he used an enormous gun. Verne could not imagine a way of decelerating the landing of his men on the Moon, so he made them circumnavigate the Moon and return to Earth—which exactly was what was done by the first lunar-nauts in **Apollo-VIII.** Prophetically, Verne's Moon travellers also took off from a place in Florida (where Cape Kennedy launching pad is situated) and splashed down in the Pacific from where US naval-men rescued them.

H. G. Wells was as adventurist as Verne but less scientific in his approach. To send his men to the Moon (First Men in the Moon), he invented "Cavorite", a substance that would act as a gravity insulator. His heroes had only to climb into a vessel coated with this material to take off. Though the idea of anti-gravity is not entirely absurd, it is difficult to imagine any substance inherently possessing this property; for this very characteristic should make it disappear from the Earth.

Here is how H. G. Wells described the landing of his space adventurers, Bedford and Cavor: "Now we had come to the real danger of our journey. We had to drop ever closer to the Moon as we spun about it, to slacken our pace and watch our chance, until at last we could dare to drop upon its surface... For a long time we had all our windows closed and hung silently while hurtling through space... Then for a flash Cavor opened a window moonward, and we saw that we were dropping towards a huge central crater with a number of minor craters grouped in a sort of cross about it....

"There came a jar...over clutch, bump, clutch bump over...

"We were still alive, and we were lying in the darkness of the shadow of the wall of the great crater into which we had fallen...

"It was the wildest and most desolate of scenes. We were in an enormous amphitheatre, a vast circular plain, the floor of the giant crater. Its cliff-like walls closed us in on every side. From the westward the light of the unseen Sun fell upon them, reaching to the very foot of the cliff, and showed a disordered escarpment of drab and greyish rock..."

(**The New York Times,** **The Washington Post,** **The Times,** London, **Le Monde,** Paris, **USIS,** New Delhi, **The Statesman,** Calcutta, **The Times of India,** Bombay, **The Hindu,** Madras and **Link,** New Delhi)

[Prev. ref. 9020:AOA:A]

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AFGHANISTAN

A. Chinese Envoy Presents Credentials: Mr. Hsieh Pang-chih, the Chinese Ambassador, on July 27 presented his credentials to King Zahir Shah.

(Kabul Radio)

[Prev. ref. 6161:CHI:E]

CEYLON

A. Parliament Approves Throne Speech: The House of Representatives approved on July 25 a Government-sponsored Motion of Thanks to the Governor-General for the Throne Speech (see page 9097) after rejecting various Opposition amendments. The debate lasted five days.

In his reply to the debate, the Prime Minister, Mr. Dudley Senanayake, referred to the demand for an immediate ban on the Dravida Munnetra Kazhagam and asked: "Will you give me the legislative power to ban any political party which has foreign links and which works against the nation's interest?" An Opposition front bench member replied: "We shall give that power only against the DMK."

Mr. Senanayake explained that there were other political parties which had definite foreign links, whereas the Indian DMK had denied any connexions with the DMK in Ceylon.

He explained the Tamil Federal Party's breakaway from the Government, in reply to allegations made earlier in the debate by the Secretary of the Party, Mr. A. Amirthalingam, a member representing a North Ceylon constituency, and assured the Federal members that he would never forget the assistance they had given his party at a critical time.

He said he had to withdraw the District Councils Bill because of the misleading propaganda carried on by the Opposition and because the country had turned against him. However, as the introduction of district councils legislation was one of the promises he had held out to Federal Party members when they joined the Government, he had told them while withdrawing the Bill that he was prepared to resign the Premiership on the issue. But the Federal Party had told him that there was no need for him to resign.

(The Times of Ceylon, Colombo)

[Prev. ref. 9097:CEY:A]

B. Mr. D. Senanayake's Visit To UAR: The Prime Minister, Mr. Dudley Senanayake, paid an official visit to the United Arab Republic from May 27 to 31 at the invitation of President Gamal Abdel Nasser.

On arrival in Cairo, where he was given a ceremonial welcome, and at State receptions, Mr. Senanayake stressed the traditionally strong historic, cultural and religious ties between Ceylon and Egypt. His engagements in the country included visits to several places of interest, including the Aswan High Dam.

He had talks with President Nasser on a wide range of issues, particularly the situation in West Asia.

At a news conference in Cairo on May 31, he expressed the hope that the Big Four talks would lead to a solution of the West Asia crisis on the basis of the November 22, 1967 resolution of the UN Security Council.

A joint **communique** issued on May 31 said that Mr. Senanayake had expressed Ceylon's support for the "legitimate rights of the Palestinian people including their right to their homelands or to receive compensation in accordance with the UN resolution."

He re-affirmed his country's position that Israel's forces should withdraw unconditionally from Arab territory to positions they occupied prior to June 5, 1967.

On Viet-Nam, President Nasser and Mr. Senanayake said that a "settlement could only be reached by the free will of the Viet-Namese people based on the principle of self-determination and without foreign influence." They affirmed their conviction that the Geneva Agreement of 1954 provided a satisfactory basis for a settlement of the issue.

They condemned colonialism and expressed support for the liberation movements in Angola, Mozambique and Rhodesia.

They expressed satisfaction at the progress of relations between Ceylon and UAR in political, economic and cultural fields.

Both leaders wanted expansion of trade between the two countries and felt this could be done by an increased trade in tea and cotton particularly, among other products.

(The Egyptian Gazette, Cairo)

[Prev. ref. 5508:CEY:A]

C. World Bank Loan: The World Bank announced on July 23 grant of a $21 million loan to install 115 megawatts of electric generating capacity and associated transmission facilities in Ceylon.

The loan, to be given to the Ceylon Electricity Board, will be guaranteed by the Government. It will be for a term of 25 years, including a five-year grace period, with interest at 6½ per cent.

The project being assisted by the Bank loan should meet Ceylon's electric power requirements until 1974. It consists of the second stage of a three-stage development of the Maskeliya River which includes a diversion dam, a pressure tunnel and penstocks, a 90-mw hydro-electric station, a 132-kv switchyard and about five miles of transmission lines to connect the plant to the existing net-work. Also included is a 25-mw gas turbine extension to the existing Grandpass thermal station at Colombo and the services of consultants. The gas turbine is to be commissioned about the end of 1971 to meet the deficit in energy which would otherwise arise until the hydro-electric plant is commissioned in late 1972. It will later be used for peaking purposes. The Board will execute the project and procurement is being carried out on the basis of international competitive bidding.

The total cost of the project is estimated at $31.5 million. The Bank loan of $21 million will cover the foreign exchange cost of major civil works, of electrical and mechanical equipment, interest on the Bank loan during construction and the services of engineering and other consultants to help the Ceylon Electricity Board set up its new organization, re-organize its accounting system and re-value its assets. The remaining costs will be financed by the Ceylon Electricity Board from domestic sources.

(World Bank Press Release)

[Prev. ref. 8871:CEY:A]

D. New Tamil Party Formed: A new political party called Ela Suya Atchi Kazhagam of Tamil-speaking people of North Ceylon has been formed, headed by a former member of the Federal Party and Member of Parliament, Mr. V. Navaratnam.

The party, it is claimed, has the backing of a number of educated people who are opposed to the Federal Party and Tamil Congress politics.

Addressing the first meeting of the party, Mr. Navaratnam said on July 31 that Tamils should either live with dignity and self-respect as a separate nation or assimilate themselves with the Sinhala people. Ruling out the latter proposition, he said that Tamils should fight for full responsible Government.

(The Statesman, New Delhi)

[Prev. ref. 8588:CEY:C]

INDIA

SUMMARY: New Acting President; Mr. Morarji Desai Resigns; Bank Nationalization Bill Passed; Mr. R. Nixon's Visit; Mrs. Gandhi's Visits Abroad; Mr. H. Bourguiba (Jr)'s Visit.

A. Mr. Justice Hidayatullah Becomes Acting President: The Acting President of India, Mr. V. V. Giri, announced on July 13 that he was contesting for the post of President of India, the election for which was scheduled for August 16.

His announcement followed an announcement by the Congress President, Mr. S. Nijalingappa, in Bangalore on July 23 that the Speaker of the Lok Sabha, Mr. N. Sanjiva Reddy, had been selected as the Congress candidate for the Presidentship.

Mr. Sanjiva Reddy resigned the post of Speakership on July 19 and Mr. V.V. Giri also announced his resignation as Acting President. But, he actually handed over to the Chief Justice of India, Mr. Justice Hidayatullah, who because Acting President on July 20, until a new President was elected on August 16.

(The Hindu, Madras)

[Prev. ref. 8980:INI:A]

B. Mr. Morarji Desai Resigns: The Prime Minister, Mrs. Indira Gandhi, relieved Mr. Morarji Desai, Deputy Premier and Finance Minister, of the Finance portfolio about noon on July 16. A few hours later, Mr. Desai submitted his resignation from the Cabinet.

But, the Prime Minister did not accept the resignation immediately, because some efforts were being made to get Mr. Desai to revise his decision. She later accepted the resignation on July 19.

A Rashtrapati Bhavan **communique** said that the Prime Minister would assume charge of Finance.

Although some political quarters attributed Mrs. Gandhi's step as a "retaliation" to her being ignored by the Congress Parliamentary Board at Bangalore in deciding upon the selection of Mr. N. Sanjiva Reddy as the Presidential candidate on July 12, Mrs. Gandhi's supporters felt that she took the step in order to implement the economic resolution passed by the All-India Congress Committee (see page 9087) in Bangalore on July 11.

Mr. Desai told newsmen on July 16 that he had heard something about his being relieved of the Finance portfolio on July 14 from some persons indirectly.

He added: "She (Mrs. Gandhi) has not talked to me (in the last three days). I received her letter saying she has relieved me of the Finance portfolio only two hours ago."

Asked how he saw the Prime Minister's action, Mr. Desai said: "She wants to have her own way. I do not know, it may be a kind of retaliation. But I have done nothing to deserve this."

The correspondence between Mrs. Gandhi and Mr. Morarji Desai, released on July 21, made the startling disclosure of the Prime Minister having told the UP Chief Minister, Mr. C. B. Gupta, that some Congress leaders were "conspiring" against her.

Mrs. Gandhi, however, denied that her charge was directed against Mr. Desai, but Mr. Desai stated that Mr. Gupta confirmed that Mrs. Gandhi's reference was to him.

Copies of the correspondence were placed on the table of the Lok Sabha on July 21 by Mr. Desai after an explanatory statement on his resignation from the Cabinet.

In his letter of July 17—the day after Mrs. Gandhi stripped him of the Finance portfolio—Mr. Desai wrote to her that Mr. Gupta had met him that afternoon (July 17) and told him about his talk with Mrs. Gandhi. "I was amazed and shocked," Mr. Desai said in that letter, "to hear that you told him that I was organizing a party obviously with a view to ousting you from leadership,. In one breath you have recognized my loyalty to the party and its leader, in another you gave Mr. Gupta to understand that I was conspiring against you. Groupism and conspiracy are not in my grain."

In her reply to this letter two days later (July 19), Mrs. Gandhi did not refer to her talk with Mr. Gupta, but she apparently denied having made any such charge against Mr. Desai when he met her the previous day.

Referring to his talks with Mrs. Gandhi on the statement made by Mr. Gupta, Mr. Desai in his final letter to the Prime Minister went on record to repeat that she had made the charge against him. He said: "You will recollect what you told Mr. Gupta before he met and conveyed it to me. I asked you about this new political dimension that you have introduced and you protested that what you told Mr. Gupta was not with reference to me, but that it applied to others. May I say that I have asked Mr. Gupta again and he emphatically maintains that your statement was with reference to me."

Statement In Lok Sabha:

Mr. Morarji Desai told the Lok Sabha on July 21 that the "summary" manner in which he was relieved of the Finance portfolio would have made his continuance in the Central Cabinet dishonourable.

He said he could have continued in the Government only at the cost of his self-respect and as a silent spectator of methods that may endanger the basic principles of democracy.

(The Statesman and **The Times of India,** New Delhi)

[Prev. ref. 9087:INI:A]

C. Banks Nationalized – Ordinance Issued–Bill Passed: Within an hour of the formal exit of Mr. Morarji Desai from the Central Cabinet on July 19, the Government announced its decision to nationalize 14 major commercial banks in the country.

The momentous decision, which evoked mixed reaction in political circles in the Capital, pushed into the background the party polemics arising out of Mr. Desai's resignation after he was stripped of the Finance portfolio by Mrs. Gandhi on July 16.

The Cabinet decision, which was unanimous, was followed by an Ordinance signed by the Acting President, Mr. V. V. Giri (who relinquished office on July 20.)

The Central Home Minister, Mr. Y. B. Chavan, who attended the Cabinet meeting, the former Congress President, Mr. K. Kamaraj and Mr. Atulya Ghosh, who have all been ardent advocates of bank nationalization, welcomed the Government's decision, in spite of their differences with the Prime Minister over the manner in which she had eased Mr. Desai out of the Government.

Since the decision was based on the economic resolution adopted at the A-ICC session at Bangalore on July 11 (see page 9087), Congress members assailed it, but a few like Mr. S. K. Patil deprecated Mrs. Gandhi's attempt to take sole credit for the measure.

Though foreign banks operating in India have been kept out of the scope of nationalization, the Reserve Bank was asked to instruct them not to increase their deposits.

The Ordinance excluded from the scope of nationalization branches of banks incorporated outside India and Indian scheduled banks with deposits of less than Rs. 50 crores at the end of June, 1969.

According to an official release, shareholders of the 14 nationalized banks—which have deposits of over Rs. 50 crores each—would be paid compensation on the basis of the net value of their assets less their liabilities. Their capital plus reserves were estimated at Rs. 66 crores.

A Tribunal, consisting of a Chairman and two members, would be set up to hear disputes with regard to the payment of compensation. The amount of compensation will be paid to each existing bank in marketable Central Government securities.

In order to avoid confusion among the public, the Government made it clear that when the banks re-opened on July 21, they would operate normally as before and there would be no change in the relations of the depositors and borrowers with their banks.

Further, the identity of each nationalized bank would be preserved and the Chairman of the existing banks would be the Custodian of their nationalized units, unless the Government felt that a new person must be appointed Custodian in the cases of any specific bank.

The Boards of Directors of the nationalized banks were dissolved and would be replaced by advisory boards. Employees of the acquired banks would, however, become automatically employees of the new Corporation on their existing terms and conditions of service.

The Government of India reserved for itself powers to frame, in consultation with the Reserve Bank, one or more schemes for carrying out the provisions of the Ordinance in relation to existing banks. Rules framed under the Ordinance would be placed before Parliament within 30 days.

Thus, the Government took over control of the deposits of the 14 banks, totalling about Rs. 2,741 crores or nearly 70 per cent of the aggregate amount of deposits under the banking system. As against this, the advances of the nationalized banks at the end of the year stood at Rs. 1,745 crores, or nearly 66 per cent of the total advances of Rs. 2,776 crores.

As a result of the nationalization of the 14 banks, it was stated that it would now be possible to "serve better the needs of development of the economy in conformity with national priorities and objectives," and prevent their use for speculative and unproductive purposes.

Mrs. I. Gandhi's Broadcast:

In a broadcast on July 19 commending the nationalization of banks in the country, the Prime Minister, Mrs. Indira Gandhi, offered the assurance that this was not a prelude to a take-over by the State of other economic activities.

She emphasized that nationalization would not mean any change in the relationship of the 14 banks taken over with their depositors or borrowers. They would continue to retain their separate identity. The same executives would be in control and their existing financing arrangements would not be disturbed.

She traced the step back to the 1954 resolution of Parliament, accepting the concept of a socialist pattern of society. She cited also the increasing role of public financing agencies to suggest that nationalization was a logical sequel while being necessary even otherwise as part of the strategy to gain control over the commanding heights of the economy.

Mrs. I. Gandhi's Statement In Parliament:

In a statement to Parliament on July 21 seeking to justify the nationalization of 14 major commercial banks, Mrs. Gandhi assured private industry and trade that their credit needs would continue to be met.

One of the objects of the nationalized banks, she said, would be to foster the growth of new and progressive entrepreneurs and create fresh opportunities for hitherto neglected and backward areas in different parts of the country.

Included in her rationale of nationalization was the better service banks would be able to provide to farmers and thus promote agricultural production.

She also thought that public ownership would help curb credit for speculative and unproductive purposes.

Also, she said, "by severing the link between the major banks and the bigger industrial groups which have so far been controlled by them, the Government believes that the step it has taken will also bring about the right atmosphere for development of adequate professional management in the banking field."

The broad aim behind nationalization, she claimed, was the need to "impart an element of dynamism and new vigour into the process of our development so that the targets of the Fourth Five-Year Plan, in the public and private sectors, cannot only be fulfilled but, if possible, exceeded."

Her justification thus had two main points: "First, that nationalization would not deprive the private sector of funds and, second, savings would now be mobilized for use in productive purposes in accordance with the Government's plans and priorities."

She added: "The Government believes that public ownership of the major banks, for which there has been widespread public support, will help in the most effective mobilization and deployment of national resources, so that our objectives can be realized with a greater degree of assurance."

Banks Nationalized:

The names of the banks nationalized are:

(1)_ Central Bank of India; (2) Bank of India; (3) Punjab National Bank; (4) Bank of Baroda; (5) United Commercial Bank; (6) Canara Bank; (7) United Bank of India; (8) Dena Bank; (9) Syndicate Bank; (10) Union Bank of India; (11) Allahabad Bank; (12) Indian Bank; (13) Bank of Maharashtra; and (14) Indian Overseas Bank.

Deposits Of Nationalized Banks:

According to the statistics of the Reserve Bank of India, the 14 top banks nationalized commanded 72 per cent of the total deposits of the Indian scheduled banks and 65 per cent of the total advances made at the end of 1968.

The total deposits of the 14 banks at the end of 1968 stood at Rs. 2,741.76 crores and advances at Rs. 1,743.66 crores.

Even among the 14 banks, the bulk of the deposits and advances is controlled by the first five major banks—Central Bank, Bank of India, Punjab National Bank, Bank of Baroda and the United Commercial Bank.

The total owned funds of the 14 banks at the end of 1968 amounted to Rs. 66 crores. Five major banks accounted for 64 per cent of the total owned funds, while their *share in the aggregate net profit was about 70 per cent.*

Although the owned funds of the 14 banks was only Rs. 66 crores, the total compensation to be paid by the Government to the shareholders may be about Rs. 70 crores as the scrip of some banks commanded a premium on the share markets.

The scrip of the banks in the *share market ranged from 160 per cent in the case of the Allahabad Bank to six per cent in the case of the Bank of Maharashtra. On this basis, there is likely to be a demand for a mark-up in compensation calculated on book value.*

The following is the deposits and advances position of the top 14 banks at the end of 1968:

	(Rs. in Deposits	**crores)** Advances
Central Bank	433.27	296.27
Bank of India	394.97	253.05
Punjab National	355.90	209.40
Bank of Baroda	313.50	196.14
United Commercial	249.58	144.00
Canara Bank	146.44	96.72
United Bank	143.89	99.61
Dena Bank	131.88	74.08
Union Bank	115.22	68.63
Allahabad Bank	112.72	69.93
Syndicate Bank	112.19	70.61
Indian Overseas Bank	93.22	58.32
Indian Bank	84.59	57.16
Bank of Maharashtra	73.02	49.74
Total	2,741.76	1,743.66

Reactions:

The Prime Minister, Mrs. Gandhi, received bouquets and brickbats for nationalizing the 14 major banks.

The Central Home Minister, Mr. Y. B. Chavan, hailed it as "a historic step" in the march towards socialism.

The Swatantra leader, Mr. M. R. Masani, called it a "reckless" move and described Mrs. Gandhi as a "security risk."

Mr. A. B. Vajpayee, Jana Sangh President, said that bank nationalization was an "anti-people" measure and contended that Mrs. Gandhi's Government had no mandate to take over banks.

But the reaction in other Opposition parties was favourable. The BKD Chairman, Mr. Charan Singh, congratulated the Prime Minister on her "right step" and hoped that the nationalized banks would be effectively managed.

Mr. K. Kamaraj and Mr. Atulya Ghosh expressed satisfaction. But, Mr. S. K. Patil did not like the "hasty manner" in which it had been done, though he did not disapprove of the measure.

The Swatantra Party leader, Mr. C. Rajagopalachari, doubted if the nationalization of banks by an Ordinance was permissible under the Constitution.

He said: "There are many points involved which bring into play fundamental rights as against the *so-called nationalization* which in *effect is a kind of confiscation.* An Ordinance cannot go beyond Parliamentary legislation as far as the Constitution is concerned. It is even immoral to issue an Ordinance the day before Parliament is meeting."

Mr. J. R. D. Tata described it as a "tragic mistake". He said: "I am surprised that the Central Government should have come out with an Ordinance on bank nationalization when Parliament is to meet only within 48 hours.

"The same purpose which the Government has in view could have been well served by social control. It is also a dangerous step to concentrate in this way all the financial resources of the country (comprising bank deposits and life insurance funds) because they may go into wrong hands after the next general elections when the political situation in the country might be fluid as it is at present in some of the States. This will shake confidence of the people in business and industry both in India and abroad."

Mr. Jayaprakash Narayan told a public meeting in Rajkot on July 27 that the nationalization of banks was "wrong and unwarranted." He said that the step would not solve the economic ills of the country but would only enhance the powers of the present rulers and bureaucrats. Nationalization could not be a shortcut to improve the lot of the have-nots unless there was a fundamental change in the socio-economic structure.

Industrialists, bankers and businessmen received the nationalization step with dismay. They were quick to point out that the measure went farther than what the Prime Minister, Mrs. Gandhi, had said on this issue in her recent Note to the All-India Congress Committee in Bangalore.

The bankers, particularly, were taken aback by the nationalization as there was a categorical official denial of any such move only the previous day.

Mr. Ramnath A. Podar, President of the Federation of the Indian Chambers of Commerce and Industry, said: "It is regrettable that no solution could be found for retaining Mr. Morarji Desai in the Cabinet. As regards bank nationalization, even after hearing the Prime Minister's broadcast, I feel it is a hasty step, particularly when social control on banks was working successfully. I am afraid it will have repercussions on the country's economic growth."

The President of the Bombay Stock Exchange, Mr. Dhirajilal Maganlal, said that nationalization would retard the progress of the country, including economic and industrial development.

Mr. Arvind Mafatlal, industrialist, said that nationalization would create more chaotic economic and political conditions in the country.

Mr. Lalchand Hirachand, a former Chairman of the Maharashtra Chamber of Commerce and President of the Bombay unit of the Swatantra Party, said that it would affect the economy of the country to a large extent.

Mr. Pravinchandra Gandhi, chairman of the Dena Bank, said that there was no necessity for nationalization when social control was being implemented very satisfactorily and correctly by all the banks.

Chinese Comment:

In its first comment on recent developments in India, the New **China News Agency** said on July 26 that nationalization of banks was a measure adopted by Mrs. Indira Gandhi "to deceive the people and strike at Morarji Desai's faction which opposes this programme so as to maintain her unstable rule."

It said that Mrs. Gandhi's programme was essentially one for developing bureaucratic capitalism under the guise of nationalization, or, in other words, "for following the non-capitalist road much advocated by Soviet revisionists."

It noted an Indian Press commentary that "under Mrs. Gandhi's stewardship the country is being deliberately mortgaged to the Soviet Union whose growing influence is perceptible not only in the conduct of foreign affairs, but in the trend of internal policies, particularly economic."

It added: "The feud between Mrs. Indira Gandhi and Mr. Morarji Desai reflects the bitter rivalry between US imperialism and Soviet revisionism in India, while they are colluding jointly with Indian reactionaries to oppose Chinese communism and the people. This dog-fight is developing as Presidential elections are drawing near."

Supreme Court's Stay Order:

On July 22, a Full Bench of eight Judges of the Supreme Court, presided over by Mr. Justice Shah, acting Chief Justice, issued **rule** *nisi* against the Union of India in the writ petitions filed by Mr. M. R. Masani, MP., leader of the Swatantra Party, Mr. Balraj Madhok, MP, Jana Sangh leader, and Mr. R. C. Cooper, shareholder and director of some banks, challenging the constitutional validity of the bank nationalization Ordinance.

The Court fixed August 11 for the final hearing of the petitions.

Tne Court also granted **interim** stay of the Ordinance in respect of three matters: (1) restraining the Union of India from removing the present chairmen of various banks, (2) from appointing a new board of advisers and (3) from giving directions contrary to the banking policies as laid down by the existing Banking Laws Act.

Mrs. I. Gandhi's Statement On Stay Order:

But, Mrs Gandhi told Parliament the same afternoon (July 22) that the Supreme Court's stay order did not affect the Central Government's take-over of the 14 major banks or their normal functioning.

She pointed out that the stay order was in respect of three matters: first, that the Union of India will not appoint any board of advisers; secondly, it will not remove chairmen of various banks; and, thirdly, it will not give any directions contrary to the provisions of the banking laws.

The Government had been advised, she said, that the stay order did not affect the transfer of the banks and their capital to the Central Government. The ownership of the banks thus continued to vest in the Central Government.

The former boards of directors also stood dissolved. In view of the Court's direction against appointment of advisory boards, the Reserve Bank would, during the **interim** period, advise the banks, as might be proper, in exercise of its powers under the Banking Regulation Act.

She did not think that the Court's direction against removal of chairmen of various banks would affect the ability of chairmen-custodians to perform their duties properly.

As regards the third direction, she said that the Reserve Bank would take special care to ensure that nothing was done which was contrary to the public interest or to the interest of depositors.

Bank Nationalization Bill Passed:

The Bank Nationalization Bill was introduced in the Lok Sabha on July 25 after an hour's procedural wrangle over the waiver of notice and the propriety of undertaking legislation while the validity of the Ordinance in this regard was still under dispute in the Supreme Court.

When a division was demanded on the motion for leave to introduce the Bill, there were 260 votes for and 46 against, with two abstentions. Congressmen and the Leftist groups supported the motion while the Swatantra and Jana Sangh groups opposed it. The DMK group was conspicuous by its absence from the House.

Except for certain minor changes and some clarifications, the Bill retained the spirit of the Ordinance promulgated by the Government to take over commercial banks with deposits of over Rs. 50 crores.

Indeed, the Bill was more or less on the same lines as the Ordinance and retained the provisions, the operation of which was stayed by the Supreme Court, relating to the Government's power to change Custodian-Chairmen of the nationalized banks, constitution of Boards of Advisers to assist the Custodian-Chairmen and issuing of directions on policy matters.

The Statement of Objects and Reasons of the Bill said that the banks were being taken over in order to serve better the needs of development of the economy in conformity with national policy and objectives and for matters connected therewith or incidental thereto. The banking system which touched the lives of millions had to be inspired by a larger social purpose and had to subserve national priorities and objectives such as rapid growth in agriculture, small industries and exports, raising of employment levels, encouragement of new entrepreneurs and the development of backward areas.

For this purpose, it was necessary for the Government to take direct responsibility for the extension and diversification of banking services and for the working of a substantial part of the banking system. It was with this in view that the 14 commercial banks with deposits of over Rs. 50 crores were nationalized.

The Bill, which had retrospective effect from July 19, the day on which the Ordinance was promulgated, excluded foreign banks from its operation. A new provision included in it and which did not form part of the Ordinance barred the application of the Bill to the assets, rights, powers, privileges and property, cash balances and investments in any country outside India of any of these banks operating in that country if, under the laws of that country, it was not permissible for a Government-owned bank to carry on business there.

The Chairman of the existing bank (pre-nationalization) holding office as such immediately before the commencement of the Act (July 19, 1969) would be the Custodian of the corresponding new bank and would receive the same emoluments as he was receiving immediately before such commencement. The Section of the Ordinance dealing with removal from office of directors was enlarged to provide for the existing bank constituting a Board of Directors or appointing any managing or other directors to transact business of the nature specified in the Bill.

The listed functions included work relating to compensation or appearance before the tribunal for obtaining determination as to the amount of compensation, and carrying on of business of banking in any country outside India where the local law prohibits business by a Government bank. The new Section also provided that the new bank (post-nationalization) could advance any amount to the existing bank for discharging some of those functions and that the amount so advanced would be recouped from out of the compensation payable to the existing bank.

Every Custodian of the new bank would be deemed to be a public servant for certain purposes specified in Chapter VI of the Indian Penal Code.

Clause 3 of the Bill said that on the commencement of the Act the entire paid-up capital of the bank shall stand vested in and allotted to the Government. The undertaking of every existing bank should also be transferred to and should vest in the corresponding new bank.

The Bill repealed the second schedule attached to the Ordinance about compensation and other provisions on the subject except that it was now made clear that up to Rs. 100 the compensation would be paid by a cheque drawn on the Reserve Bank. Higher amounts would be paid in promissory notes or stock certificates of the Central Government issued and repayable at par and maturing at the end of ten years from the date on which the compensation was paid and carrying interest at the rate of 4½ per cent per annum.

The financial memorandum accompanying the Bill said that it was not possible "at this stage to indicate the precise amount of the compensation payable by the Central Government, but it is estimated that it may be about Rs. 75 crores." This amount, the memorandum said, might have to be paid by the Government over a period of two to three years, but it was not possible *to indicate the exact quantum of compensations that may have to be disbursed in the current or the following financial years.*

On August 4, the Lok Sabha unanimously passed the Banking Companies (Acquisition and Transfer of Undertakings) Bill.

Under a last-minute change effected by the Government in the *scheme for payment of compensation, it is the erstwhile banks, and not shareholders as declared earlier, who will get the compensation amount.* The banks can choose either the 10-year Government bonds bearing 4.5 per cent interest or the 30-year bonds carrying 5.5 per cent interest.

It was also provided that, if the banks so desire, they can get half their paid-up capital early in cash as "**interim** payment," but on the condition that the amount will be distributed among shareholders.

Another official amendment passed said that the Advisory Boards of the 14 nationalized banks would consist of representatives of the depositors, employees, farmers, workers and artisans to be elected in a prescribed manner and also such other persons as the Government might appoint by Gazette notification.

Yet another official amendment adopted enable the Government to split the nationalized banks into two or more corporations or to range the nationalized banks with each other or with other banks. When the Bill was voted, the only members present besides those on the Congress benches were the Communists, a lone DMK member, Mr. S. Kandappan, and the saffron-clad Jana Sangh back-bencher, Swami Brahmanand, who had declared his support for the Bill.

The Swatantra group had walked out protesting against what it called "rushing through the measure." The Jana Sangh members followed, but not before Mr. Atal Bihari Vajpayee had issued a stern warning that the Government might face serious difficulties for the haste with which banks were nationalized.

Replying to the debate, the Central Law Minister, Mr. P. Govinda Menon, who piloted the Bill, pleaded for "indulgence" of the Chair and the House in correcting a position on which the Government was keen. Two amendments which the Government did not want moved were in fact moved, and a few remained to be moved.

The House, accordingly, gave him leave so that the decisions under the two amendments stood rescinded, and the other verbal change carried.

Before the House moved into the third reading stage, some of the Opposition members tried unsuccessfully to get the Government accept amendments. Many of these were on the controversial compensation clause. Mr. N. Dandekar (Swatantra) wanted compensation according to the value of paid-up capital, and in cash. Mr. Ananda Nambiar and Mr. *P. Ramamurthi* (both CPM) and Mr. Madhu Limaye (SSP) wanted compensation to be calculated according to the market value.

Mr. Bibhuti Mishra and Mr. Randhir Singh (both Cong.) felt the compensation proposals for the banks were discriminatory in their favour compared to what the Government had paid after abolition of the zamindari system.

The Bill took approximately 20 hours against the original allotment of ten hours.

The Rajya Sabha passed the Bill on August 8 and the President gave his assent to it on August 9.

Appeal To President To Withhold Consent:

An appeal to the Acting President to withhold his assent to the Bank Nationalization Bill was made by 52 MPs, mostly belonging to the Swatantra and Jana Sangh group on August 7.

They pointed out that an important constitutional issue, namely, the proper construction of Article 123, was pending before the Supreme Court. The Court, they urged, should not be faced with a **fait accompli** as Parliament had been by the issue of an Ordinance.

The obvious motive of the Bill being "rushed" through Parliament, they said, was to secure the Acting President's assent, so that it could be enacted as an Act of Parliament, "with a view to frustrating the hearing of certain petitions that seek to challenge the validity of the Ordinance, for which the Supreme Court has fixed August 11."

The petitions challenged not only the manner in which the Ordinance was promulgated but also the substance of the legislation. The issue whether the scheme of nationalization was **ultra vires** the Constitution was also being raised.

Now that the Government had "flouted the canons of propriety and due respect for the highest judiciary of the country, we can appeal to you to withhold assent to the Bill under Article III of the Constitution."

The Acting President rejected the appeal.

Supreme Court's Verdict On Ordinance:

On August 11, the Full Bench of 11 Judges of the Supreme Court, presided over by the acting Chief Justice, Mr. Justice J. C. Shah, directed the writ petition by Mr. R. C. Cooper challenging the Bank Nationalization Ordinance to be kept pending for a fortnight to enable him to file another petition if any challenging the validity of the Banking Company's (Acquisition and Transfer of Undertaking) Act 1969.

It also allowed the petitions by Mr. M. R. Masani and Mr. Balraj Madhok to be withdrawn, with liberty to file them afresh, and vacated the stay in respect of three matters granted at the earlier hearing on July 22.

(**The Statesman, The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 7653:INI:R, 7757:INI:J, 9087:INI:A]

D. President R. Nixon's Visit: The US President, Mr. Richard M. Nixon, accompanied by his wife arrived in New Delhi on July 31 on a day's official visit. Welcoming them at Palam airport, Mr. M. Hidayatullah, the Acting President, referred to the "three intrepid Americans" for their epoch-making moon-landing, "the most unique voyage of discovery of all times," and expressed satisfaction that "the achievement will be used for peaceful purposes only and for universal good."

Mr. Nixon, in reply, referred to the late Mr. Jawaharlal Nehru's remark 16 years ago that "what we need is a generation of uninterrupted peace," and said that the goal of the new US Administration was that the present generation should be remembered not merely as a generation during which man first set foot on the Moon, but "one that was dedicated to the achievement of uninterrupted peace, with justice and honour and freedom for all."

Mr. Nixon and the Prime Minister, Mrs. Indira Gandhi later had talks on various political and economic issues. Mr. Nixon expressed anxiety that not much progress had been made in resolving some of the problems affecting Indo-Pakistan relations, but made it clear that he had no intention of mediating between the two countries. Mrs. Gandhi said that what the Big Powers could do to help was to refrain from supplying arms so that resources vitally needed for economic development would not be diverted for military purposes. She said that in the ultimate analysis, the economic stability and the strength of a country determined its ability to resist aggression. Until they acquired strength, the Big Powers could give some sort of guarantee about their security. Mr. Nixon was understood to have told Mrs. Gandhi that no decision had been taken regarding supply of arms to Pakistan and none would be taken during his visit to Pakistan. Mr. Nixon's view regarding nationalization of banks was that the people in USA would not be able to appreciate the measure and that it might make future appropriations towards aid to India more difficult. He, however, assured her of his Administration's intention to support continuing assistance to India's efforts to improve its economic structure. He evinced interest in India's idea of an international Agreement or convention to be signed by Big Powers and countries of South and South-East Asia guaranteeing their sovereignty, independence and territorial integrity and promised to give further thought to it.

Explaining US policy in regard to developments in Asia, he said that while each nation must evolve its own pattern of development, USA would help remove economic backwardness, lack of social progress, political instability and the feeling of insecurity through economic and technical aid without getting directly involved in the internal situations of these countries and that if there was a violation of recognized international frontiers by any major Power, USA would not remain a passive spectator. He spoke of his proposal of bi-lateral discussions with the Soviet Union on reducing international tension, and disarmament.

The talks were continued on August 1, when Mr. Nixon said that he would not join the condominium with the Soviet Union against China and make it feel isolated. As for Viet-Nam, he wanted to end the war early, but was keen that the Viet-Namese people were enabled to choose the kind of Government they wanted. The talks ended with expressions of satisfaction on both sides, and a feeling that they had contributed to the strengthening of friendship between the two countries.

Earlier, at a banquet at Rashtrapati Bhavan on July 31, Mr. Hidayatullah proposed a toast to the US President characterizing his tour "as a journey in quest of peace" and placed emphasis on economic progress as the basis of political stability and peace.

Mr. Nixon, in reply, quoted at length from Mahatma Gandhi's speeches at whose **samadhi** he had earlier laid a wreath. Gandhiji, he said, was an architect of profound and far-reaching change through peaceful methods. The pursuit of peace, he said, meant building a structure of stability within which the rights of each nation were respected—right to national independence, to self-determination and to be secure within its own borders, free from intimidation.

Mr. Nixon left for Pakistan on August 1 with, as he put it, "a sense of destiny and a feeling of greater confidence in the future of India." He added that his talks with the leaders of India had been "most helpful in establishing new channels of communication and a new attitude in the relations between USA and India."

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 1992:AOA:F, 4009:INI:A, 7055:INI:B]

E. Mrs. Indira Gandhi's Visits To Japan And Indonesia: The Prime Minister, Mrs. Indira Gandhi, paid goodwill visits to Japan and Indonesia for ten days beginning on June 23.

The visits were viewed by commentators as eminently satisfactory in achieving the objectives for which the trip was made, namely, the promotion of goodwill and the forging of better bonds with these countries.

In Japan:

In Japan, which she visited from June 23 to 28, Mrs. Gandhi found a large measure of agreement with her Japanese counterpart, Mr. Eisaku Sato, on pressing international issues and bilateral issues.

The discussions between them were held in an atmosphere of cordiality and the two Prime Ministers found their thinking alike on the need for complete disarmament, early solution of the Viet-Nam problem and for respecting the sovereignty and territorial integrity of all States without external interference in the internal affairs of any State, whether through direct or indirect means.

The highlight of the talks on bilateral relations was their agreement on the expanding scope for economic co-operation between the two countries.

The two Prime Ministers also agreed to make increasing efforts for educational, cultural and scientific co-operation.

Perhaps the most substantial outcome of Mrs. Gandhi's visit was the decision of the two countries to strengthen bilateral economic relations and to carry this a step further towards economic collaboration in third countries, thereby advancing the concept of regional economic co-operation. As regards bilateral economic relations, the three outstanding results of the talks held by officials accompanying Mrs. Gandhi with their Japanese counterparts were Japan's decision to restore project aid which had been suspended three years ago, its willingness to consider the possibility of resuming suppliers' credits and last but not least, agreement to examine the scope for trade expansion.

It was clearly spelled out in a joint **communique** that Japan had agreed to resume project aid to India "starting with the development of an outer harbour at Vishakhapatnam and oil exploration." Thus, Japan firmly committed itself to assisting the Vishakhapatnam outer harbour project and in the exploration of oil in the Gulf of Cambay.

The Indian and Japanese interpretations of the part of the **communique**—issued at the end of Mrs. Gandhi's visit to Tokyo—referring to the resumption of project aid did not quite seem to tally. The Indian interpretation was that it was unconditional resumption, but the Japanese Foreign Minister, Mr. Kichi Aichi, answering questions by Indian correspondents covering Mrs. Gandhi's visit, did not commit himself firmly on this question.

According to him, it would be a case of case-by-case decisions. Whatever projects had been pending would now get the green light, but yet the implication of his answer was that the decision did not represent a blanket resumption. In any case, for the time being, the Vishakhapatnam and oil exploration projects were firmly in the works. The Vishakhapatnam project involves a foreign exchange expenditure of $12 million.

Apart from talks with Japanese political leaders, Mrs. Gandhi's engagements included a call on Emperor Hirohito and the Empress, visits to centres of interest, participation in the ground-laying ceremony of the Indian pavilion at the site of next year's World Exposition Fair and meetings with the Indian community.

She also received an honorary degree of Doctor of Law from Waseda University.

Addressing the Foreign Correspondents' Club in Tokyo on June 28, Mrs. Gandhi expressed complete satisfaction with her visit which was chiefly one of goodwill and understanding, and with the outcome of her talks with Japanese leaders.

Replying to a question if India would develop nuclear arms to balance China's nuclear strength and whether it planned to sign the Nuclear Non-Proliferation Treaty, she said India's policy was to develop nuclear energy for peaceful purposes, but her country was not planning to sign the Non-Proliferation Treaty.

Questioned if she could 'kill' rumours that the Soviet Union might have obtained a naval base in India, she said while foreign ships coming to Indian ports on friendly visits would be allowed entry, the country did not believe in bases. "I have not heard of any rumours," she said.

Asked whether she favoured a total and complete withdrawal of American forces from mainland Asia in the foreseeable future, she said: "We don't believe in foreign armies being on the soil of other countries because it does create tension." Asked whether this would include North Viet-Namese troops also when India called for withdrawal of all foreign troops, she said: "All foreign troops—we will leave it at that."

The same day (June 27), talking to Indian correspondents covering Mrs. Gandhi's visit, Mr. Aichi referred to the wide and friendly coverage which the Press had given Mrs. Gandhi's visit and added that he could not recall any other instance where the visit of a Prime Minister had evoked such warmth in Japan.

In what appeared to those present as a departure from previously known policy, Mr. Aichi indicated that Japan would have no objection to India's membership of the South-East Asian Ministerial Conference, provided there was a consensus among other member-countries and said that "depending on circumstances" Japan might even propose India's membership.

He added that the question was "certainly worth studying," especially since India was a member of the Asian Development Bank. Japan also welcomed India's participation in the Asian and Pacific Council (ASPAC). Japan would "very much welcome" India's help in matters connected with regional co-operation, especially for the rehabilitation of South-East Asia and Indo-China States after the end of the Viet-Nam war. He noted that ASPAC transcended ideological considerations. "I would certainly think India can very effectively co-operate in an organization like this to bring stability to this part of the world". While he did not say so in so many words, one implication of his remarks was that the doors of the South-East Asian Ministerial Conference would be opened to India if it joined ASPAC.

A joint **communique** was issued on June 28 on Mrs. Gandhi's talks with Mr. Sato. It said in part:

"The two Prime Ministers reviewed the economic developments in their respective countries. The Prime Minister of Japan noted with satisfaction the steady recovery of Indian economy in the recent years as well as bright prospects for the future and paid a tribute to the determined efforts being made by the Indian people for realisation of social and economic progress. He welcomed the launching in April, 1969 of India's Fourth Five-Year Plan providing effective frame-work for her economic growth.

"The two Prime Ministers expressed satisfaction at the progress achieved over past years in the field of economic and technical co-operation between the two countries. The Prime Minister of India expressed appreciation for the economic assistance received from Japan and for the re-affirmation by Mr. Sato that Japan would continue to play an active part in the Aid-India Consortium organized by the World Bank. The two Prime Ministers agreed that there was scope for greater co-operation between the two countries in various fields of economic development in India. The Prime Minister of Japan agreed to resume project aid to India starting with the development of the outer harbour at Visakhapatnam and oil exploration. It was decided that consultations would be held between the two Governments in the near future to work out detailed arrangements for this purpose.

"The Prime Ministers noted progressive increase in trade between the two countries. They recognized the scope for further growth of trade both ways and agreed to hold close consultations at various levels to ensure long-term development of trade relations between the two countries on the basis of greater diversification and complementarity."

It added: "The two Prime Ministers re-iterated their faith in the principles of the United Nations Charter. They stressed that the sovereignty and territorial integrity of all States should be respected and that there should be no external interference in the internal affairs of any State, whether through direct or indirect means. They further emphasized the need to resolve all international disputes without resort to force or threat of force and without endangering international peace and justice.

"The Prime Ministers expressed the view that conclusion of a Treaty on general and complete disarmament under strict and effective international control would be a lasting contribution to the maintenance of world peace and security. The Prime Minister of Japan expressed his appreciation for India's support of Japan's membership in the 18-Nation Disarmament Committee. The two Prime Ministers agreed that their Governments should closely co-operate in the future work of the Committee.

"The two Prime Ministers welcomed the talks currently continuing in Paris on the Viet-Nam question and expressed the hope that a just and lasting solution of the Viet-Nam problem should be found soon consistent with the wishes of the Viet-Namese people."

In Indonesia:

Mrs. Gandhi flew to Djakarta from Tokyo on June 28 on a five-day visit, which she described on her arrival as "one more link in the chain of friendship binding Indonesia and India together."

She held talks with President Suharto on June 30 and July 1 in an atmosphere described in Indonesian official circles as most conducive to a further improvement of the close relations existing between the two countries. Their discussions centred mainly on the situation in South-East Asia and bilateral relations.

Speaking at a banquet given in her honour by the Indonesian President on June 29, she expressed confidence that countries in Asia could defend themselves after foreign Powers were withdrawn from the region.

She said: "There is much talk about power vacuum, and I am asked questions on the vacuum that might come about when various nations withdraw their forces from one region. I do not like to prophesy what will happen, but it could have been said that when the British left India and the Dutch left Indonesia, a vacuum was created but each of our nations filled it. I have no doubt that the countries of our region can themselves fill the vacuum."

She said it was of the utmost importance to have internal unity and freedom from external threats. "Out of the seven largest countries of the world, five are in Asia and among these five are Indonesia and India. We hope our whole region will be an area of peace and co-operation without the domination of any Power and free of tension and antagonism."

President Suharto said that the principles of non-alignment and co-existence based on mutual respect were the best answer for easing world tension, preventing war and maintaining peace. "Indonesia upholds these principles which have inspired the Afro-Asian Conference in Bandung in 1955, of which India and Indonesia were two main sponsors."

He said the fact that Indonesia was concentrating its efforts on economic development did not mean that Indonesia was keeping away from problems of the region and of the world. With adequate economic capacity, Indonesia would be able to contribute more effectively to world peace, particularly in Asia.

He expressed the hope that Indonesia's ancient relations with India would be improved and co-operation between the two countries intensified.

According to a joint **communique** issued on July 2, the discussions between Mrs. Gandhi and Gen. Suharto had helped them to indentify "common objectives in many spheres."

They stressed the need to promote economic co-operation between all countries of this region on the basis of equality and mutual benefit.

The **communique** envisaged greater co-operation in various fields and expressed the desire of the two Governments to take concrete steps to further this objective. It also mentioned the need for frequent exchange of visits between representatives of the two countries at all levels.

Indo-Pakistani relations were among the issues, other than bilateral ones, mentioned in the **communique.** After Mrs. Gandhi apprised Gen. Suharto of India's efforts for normalization of these relations on the lines of the Tashkent Declaration, President Suharto expressed the hope that India and Pakistan would succeed in resolving their mutual differences peacefully and bilaterally.

Exchanging views on the Arab-Israeli conflict, Mrs. Gandhi and Gen. Suharto hoped for early return of peace and stability in the area on the basis of full implementation of the UN Security Council resolution of November, 1967.

The **communique** said in part:

"The Prime Minister conveyed to the President the Indian people's good wishes for the success of the Indonesian development plans and expressed the willingness of the Indian Government to extend such co-operation for the furtherance of development plans as the Indonesian Government might wish to avail of and the Government of India is in a position to render.

"The President and the Premier re-affirmed their faith in the principles of the United Nations Charter and expressed the firm hope that all countries would take steps to strengthen the world Organization. The Premier informed the President of the efforts India had made and was making to normalize relations with Pakistan on the lines of the Tashkent Declaration with the aim of reducing tensions in the sub-continent and creating conditions for the development of mutual co-operation among the countries of the region. The President hoped India and Pakistan would succeed in resolving mutual differences peacefully and bilaterally.

"The two leaders welcomed the current efforts on resolving the Viet-Nam conflict and hoped that the Paris negotiations would lead to an early peaceful settlement of the problem. Both sides recognized that the Viet-Namese people should be left to settle their own future free from foreign interference. They hoped respect for sovereignty, integrity, neutrality and independence of Viet-Nam, Cambodia and Laos would be ensured."

It added: "In stressing the importance of regional co-operation, they welcomed the formation of the Asian Council of Ministers of the UN Economic Commission for Asia and the Far East.

"They expressed concern over persisting and increasing economic disparities between the developing and developed countries and were firmly of the view that this gap should be narrowed and bridged in the interest of peace and harmony both by efforts of the countries themselves and with help from developed countries in accordance with the principles put forward at the United Nations Conference on Trade and Development (UNCTAD) I and II.

"The Prime Minister renewed her invitation to the President and Mrs. Suharto to visit India and it was accepted."

(**The Hindu,** Madras, **The Japan Times**, Tokyo, **The Times of India,** New Delhi and **Information Service Indonesia)**

[Prev. ref. 8646:INI:B]

F. Foreign And Domestic Situation—Mrs. I. Gandhi's News Conference: At a news conference in New Delhi on July 31, the Prime Minister, Mrs. Indira Gandhi said that the law and order situation in the country was "not ideal," but she did not see it developing into a threat to either India's political stability or the survival of democracy.

The way ahead was not going to be easy, but she believed that the country had already come through the most difficult stage.

She suggested that India had nothing to fear from communism. The strongest emotion in Asia was nationalism, but in any event communism today was of many different kinds. In India itself, two States were governed by communist-led coalitions.

Offering an assessment of the danger from China to India, she said that although the two armies were positioned practically face to face at some points along the long border, there was no active confrontation. "At this moment it is largely a propaganda war."

On China's future role, she felt that a settlement in Viet-Nam would be more lasting if Peking was associated with it. She confessed, however, that the Chinese were very unpredictable. Their future stance much depended on how the situation developed within China itself.

Answering a number of questions on Viet-Nam, she said that USA had come a long way towards India's policies. "We have from the beginning stressed that the Viet-Namese should be left to decide their own future without interference, and that all foreign troops should be withdrawn."

Discussing ideas about collective security for Asia, she said that putting together countries which were not strong economically, and "certainly not strong militarily" would not add to their strength. "But we do believe in economic co-operation. That is the basis of strength and that would enable each country to become strong."

While India did not see any vacuum emerging in Asia as a result of US disengagement and Britain's withdrawal, it may well be necessary to guarantee the security of small nations during the transition period. But this was not so simple, she added. "Suppose two Powers get together and the third is not in, there is again a reaction." It would not be good to give any country the feeling that others were "ganging up" against it.

(The Times of India, New Delhi)

[Prev. ref. 8740:INI:A]

G. Mr. H. Bourguiba (Jr)'s Visit: The Tunisian Foreign Minister, Mr. Habib Bourguiba (Jr), arrived in New Delhi on June 20 on a five-day visit.

He was received at Palam airport *by the Minister for Industrial Development, Internal Trade and Company Affairs, Mr. Fakhruddin Ali Ahmed* and other officials.

The same day (June 20), Mr. Bourguiba met the Foreign Trade Minister, Mr. B. R. Bhagat, when he expressed the hope that Indian and Tunisian officials would soon examine the possibilities of setting up joint ventures, and identify areas where these would be possible.

The officials would also study what concrete steps should be taken by both countries to restore the level of trade between them, which had suffered a setback because of the Suez Canal closure.

Mr. Bourguiba emphasized that "imaginative" ways would have to be found to retrieve the lost ground on the trade front. On joint ventures, he said there was great scope for them.

The two Ministers reviewed the trends in international trade in relation to the developing countries.

Mr. Bhagat and Mr. Bourguiba agreed that the UN Conference on Trade and Development should move in the direction where "practical solutions" to problems of trade of the developing world could be found.

Mr. Bourguiba said his country wanted to switch over its trade with advanced countries to developing countries provided the prices and quality of goods were guaranteed. Tunisia always considered trade with developing countries as an "auto-investment."

The trilateral trade between India, Tunisia and Bulgaria also figured in the discussions.

Among Mr. Bourguiba's various engagements were a news conference, at which he discussed his country's foreign policy, and an address to the Indian Council for World Affairs.

Cultural Agreement Signed:

The first Cultural Agreement between India and Tunisia providing for exchanges in educational, scientific and cultural fields was signed in New Delhi on June 24.

The Agreement, which is permanent in character, was signed by the Education Minister, Dr. V. K. R. V. Rao and Mr. Bourguiba on behalf of their respective Governments.

The Agreement sought to strengthen Indo-Tunisian relations in the three fields through exchange of teachers, research workers, students and specialists by granting scholarships or subsidies to each other's nationals.

It also provided for mutual training facilities and exchange of literary, artistic, scientific and technical books, journals, taped music and films of educational interest.

It was also proposed to organize in both countries artistic, cultural and scientific exhibitions, conferences, and theatrical performances. Sportsmen, journalists and tourists would be exchanged.

The Agreement provided for a study of conditions under which each other's degrees and diplomas could be recognized.

The Agreement would remain in force for ever, unless terminated by either party by giving six months' notice.

The Joint Communique:

In a joint **communique** issued on June 24, Tunisia joined India in urging that the Indo-Pakistani differences "be settled through peaceful negotiations and without resort to force."

The **communique** expressed the hope that "in the interests of the sub-continent, the relations between India and Pakistan would soon register significant improvement."

The **communique** reflected a greater understanding between India and Tunisia in bilateral and international spheres.

Mr. Bourguiba left New Delhi on June 25 for Karachi.

(The Hindustan Times and **The Times of India,** New Delhi)

[Prev. ref. 5978:INI:A, 6467:INI:B, 8848:INI:H]

H. **US Aid For Electrification:** India and USA signed in New Delhi on July 27 an Agreement whereby Rs. 105 crores were made available from PL 480 funds to finance the Rural Electrification Corporation Private Limited which had been registered under the Indian Companies Act with a capital of Rs. 150 crores.

About Rs. 45 crores has been contributed by the Government towards the share capital of the Corporation.

The Agreement providing for the US grant was signed by Mr. K. G. R. Iyer, Joint Secretary in the Ministry of Irrigation and Power, on behalf of the Corporation, and Mr. John P. Lewis, Minister-Director, USAID Mission to India.

An announcement said that a significant expansion in rural electrification in the country over the next five years would be carried out by the Corporation. It will energize about half-a-million new electrically operated pumps. These pumps will irrigate about 2.5 million acres and increase annual food production by about 1.5 million tons.

The newly-formed Corporation will finance rural electrification projects undertaken by the State Electricity Boards, subscribe to special rural electrification bonds issued by them and give loans to rural electric co-operatives. The programme to be financed will include not only extension of electric lines for pumps for intensive agriculture, but also power for small-scale rural industries, lift irrigation from rivers, and domestic lighting.

Capital requirements of rural electric co-operatives will also be financed by the Corporation. With technical assistance provided by USAID and US rural electric co-operatives, five pilot projects in five States will shortly be undertaken. Other such co-operatives will be organized later.

(The Statesman, New Delhi and Calcutta)

[Prev. ref. 5473:INI:J, 5863:INI:U, 8982:INI:H]

I. **Trade Accord With Yugoslavia And UAR:** Representatives of India, UAR and Yugoslavia, at their conference held in Cairo on

July 15 and 16, decided on wide-ranging measures to further free trade among them and to study possibilities of joint industrial projects.

They agreed to add another 57 groups of articles to the tariff preferences system for 70 articles agreed in December, 1967.

The three countries were represented by Dr. Hassan Abbas Zaky, UAR's Minister of Economy and Foreign Trade, Mr. Miran Mejak, member of Yugoslavia's Federal Executive Council and Mr. K. B. Lall, Secretary of India's Ministry of Foreign Trade.

They declared in a joint **communique** that the 1967 agreement had already helped trade between them. The new items were not immediately disclosed, but tariffs on them would be cut by 52 per cent from October 1.

The three countries decided to set up working parties to study possibilities of co-operation in the production of cars, scooters, tractors, small engines and electrical equipment, television components and other products. These groups will submit reports by the end of April, 1970.

The **communique** said: "In respect of industrial projects undertaken in pursuance of tripartite co-operation, the three Governments will accord, on a long-term basis, appropriate customs duty exemptions and will provide commercial support and assistance for the granting of industrial licences, the procurement or sale of raw materials and components and for the marketing of finished products."

The Ministers decided to give further consideration to establishing joint shipping services or pooling arrangements for maritime services and facilities. Other fields of co-operation to be studied are telecommunications, banking and insurance.

Package tourist group arrangements will also be encouraged between the three countries.

(**Cairo Radio** and **The Hindu**, Madras)

[Prev. ref. 8137:INI:I]

J. **Purchase Of Iron-ore By Rumania:** Under an Agreement concluded in July in Bucharest, Rumania has agreed to buy 23.4 million tonnes of Indian iron-ore, valued at over Rs. 100 crores, in the course of the next 11 years.

Under the Agreement, the supply will increase from the present level of 0.8 million tonnes a year to 1.4 million tonnes in 1970. Thereafter there will be a steady rise every year, the supply reaching a level of 2.5 million tonnes from 1978 onwards.

(**The Times of India,** New Delhi)

[Prev. ref. 6914:INI:O, 8292:INI:C]

K. **West German Aid For Agricultural Development:** An Indo-West German Agreement for undertaking an integrated development programme in the Almora district of UP was signed in New Delhi on July 31.

West Germany had been giving assistance for the integrated agricultural development of the hill districts of Mandi and Kangra in Himachal Pradesh and the district of Nilgiris in Tamil Nadu.

The Indo-German agricultural development project was first introduced in Mandi district in 1962. For Nilgiris, the Agreement was signed in June, 1966.

The project for Almora district has its origin in an Indo-German-FAO fertilizer supply project, under which about 1,000 tonnes of fertilizers were made available in December, 1967.

(**The Times of India,** New Delhi)

[Prev. ref. 8876:INI:F]

L. **Fertilizer Credit Guarantee Corporation:** About Rs. 20 crores will be given by USA from its PL 480 funds in India towards establishing a Fertilizer Credit Guarantee Corporation, which will be a subsidiary of the Reserve Bank.

The Corporation will have a working capital of about Rs. 30 crores—Rs. 20 crores from PL 480 funds (which would be given as a grant) and Rs. 10 crores from the Government of India. It will be registered under the Companies Act.

The formation of the Corporation follows the recommendation made by the Venkatappiah Committee which studied the question of fertilizer credit. The Committee had placed total distribution credit needs at Rs. 297 crores in 1970-71.

Another scheme under consideration to utilize PL 480 funds is for the creation of an Agricultural Refinance Corporation. The scope of activity of this Corporation will be much wider than the Fertilizer Credit Guarantee Corporation.

If the second scheme also goes through, nearly Rs. 225 crores will be taken away from the accumulated PL 480 funds. It was only recently that Rs. 105 crores was given from PL 480 funds for the setting up of a Rural Electrification Corporation.

(**The Times of India,** New Delhi)

[Prev. ref. 8982:INI:H]

M. **Tariffs Imposed On Cotton Textile Exports To Britain:** India's cotton textile exports to Britain will be subject to 15 per cent tariffs with effect from January 1, 1972.

This followed the British Government's decision to accept the recommendation of the Textile Council to replace the present quota system for Commonwealth countries with tariff.

The decision was announced in the House of Commons on July 22 by Mr. Anthony Crosland, President of the Board of Trade.

Mr. Crosland said he had no reason to believe that developing countries with the exception of India would in future export less to Britain. This implied the fear that Indian exports would be badly hit. But his assurance to India was that Britain would, at the time of considering India's general aid requirements in 1972, take into account any adverse effect the tariff had on its exports.

Commonwealth circles in London felt that the decision represented a fundamental change in Britain's commercial policy towards the Commonwealth.

(**The Times**, London)

[Prev. ref. 7526:AOA:F]

N. **New Chief Of Air Staff:** Air Chief Marshal Arjan Singh relinquished the office of Chief of the Air Staff on July 15 and proceeded on six months' leave preparatory to retirement.

Air Marshal P. C. Lal assumed office of Chief of Air Staff with the rank of Air Chief Marshal on July 16.

(**The Statesman,** New Delhi)

[Prev. ref. 8896:INI:D]

O. **Air Marshal Shiv Dev Singh Takes Over As Vice-Chief Of Air Staff:** Air Marshal Shiv Dev Singh, Officer Commanding - in - Chief, Western Air Command, took over as Vice-Chief of the Air Staff on August 1.

The post had fallen vacant after the death of Air Marshal Raja Ram.

Air Marshal Shiv Dev Singh (49), who had been AOC-in-C, Western Command since March 4, 1966, was awarded the Param Vishisht Seva

Medal on Republic Day in 1968. He had flown over 35 types of aircraft and had 3,000 hours on fighter, bomber and transport aircraft. He was also Air Adviser for India in UK from 1948 to 1950. Promoted to the rank of Air Vice-Marshal in January, 1963, he was appointed AOC-in-C, Central Air Command. He took over as AOC-in-C, Western Air Command, on March 4, 1966.

(The Statesman, New Delhi)

[Prev. ref. 6912:INI:A, 8168:INI:A]

P. IAF Pilot Sets World Record For Helicopter Landing: An Indian Air Force test pilot, Wing Commander K. K. Saini, has set up a new world record for helicopter landing.

The record was set in an Alouette 11 SA 315 helicopter. He landed at an altitude of22,500 feet with an outside temperature of minus 12 degrees C. With him was Mr. Claude Aube, Sud Aviation test pilot.

At the time of the landing, the helicopter was carrying 170 litres of fuel and had more than an hour and 20 minutes' endurance.

The previous world record was set by Mr. Jean Boulet in an Alouette 111 SE 3160.

Wing Commander K. K. Saini had been awarded the Vir Chakra during the Chinese aggression.

(The Statesman, New Delhi)

[Prev. ref. 5065:INI:A]

Q. Diplomatic Appointments: In a series of diplomatic appointments announced in New Delhi on July 24, Mr. Baleshwar Prasad, Chief Commissioner of Manipur. was appointed Ambassador to Burma, in succession to Mr. Ram Dass Katari.

Mr. Baglodi Deva Rao, Minister in the Indian Embassy at Khatmandu, was appointed as Ambassador to the Philippines, in succession to Mr. Anand Sarup Dhawan on July 25.

On May 31, Mr. Yeoksofate Engur was named as Uganda's High Commissioner in India.

It was officially announced in New Delhi on July 28 that Mr. Indar Jeet Bahadur Singh, Ambassador (designate) to the United Arab Republic, had been concurrently accredited as Ambassador to Libya, with residence at Cairo.

(The Times of India, New Delhi)

[Prev. ref. 5859:INI:F, 5885:INI:F, 9042:INI:E]

IRAQ

A. Defence Treaty With Syria: A Defence Treaty with Syria was signed in Baghdad on July 30.

Baghdad Radio said that Iraqi and Syrian representatives who signed the Treaty expressed the hope that it would be a prelude to a complete union of all Arab countries.

The signing of the Treaty coincided with the arrival in Cairo of a Syrian military delegation.

(Baghdad Observer)

[Prev. ref. 8960:IRQ:B]

JAPAN

A. Russian Request For Soft Loans Rejected: A Finance Ministry official confirmed on May 20 that the Government had expressed its inability to accommodate a Russian request for soft loans to finance imports from Japan.

He said that the request had been made on an informal basis by the Soviet Union's Vice-Minister of Foreign Trade, Mr. V. S. Alhimov, during a recent visit to Japan.

Requests for similar loans to East European countries, including Poland, Hungary, Bulgaria and Yugoslavia, also had been rejected.

Moscow was seeking an agreement between the Export-Import Bank of Japan and the Soviet Foreign Trade Bank to establish an account for the Russians in the Japanese bank. The Export-Import Bank would then organize a financing group of Japanese foreign exchange banks to supply yen for the Soviet account. The yen would be used to settle Soviet payments for imports from Japan.

According to reports, the Russians were hoping to secure a loan term of over 10 years at an interest of less than 6 per cent per year. The Soviet official had argued that the funds would be used to buy more products from Japan, which had a trade deficit with the Soviet Union. The yen would also be used for Soviet-Japanese development projects in Siberia.

However, the Ministry of Finance was not impressed by these arguments and informally let it be known that it found the Soviet proposal unacceptable. Japan, the Ministry spokesmen said, granted soft loans only to developing countries, not to industrial nations such as the Soviet Union.

(The New York Times)

[Prev. ref. 8803:JAP:F]

B. Chinese Charge Of Arms Expansion: The **Hsinhua** news agency on July 8 accused the Japanese Government of stepping up arms expansion and war preparations to "further its expansionist designs in Asia."

The agency said: "Stepping into the shoes of aggression of Hideki Tojo (Japan's wartime Premier), the reactionary Sato Government is doing its utmost to push Japan onto the road of militarism and planning to build an up-to-date army to carry out aggression and expansion abroad.

"The plan for arms expansion made public by the Japanese 'Defence Agency' at the end of June has fully revealed this intention. This arms expansion plan trumpets about conscription, universal military training and other measures.

"It advocates the building of a so-called 'sustained fighting capacity' and stipulates the addition and deployment of several army divisions of tens of thousands of men outside the present 13 divisions of the self-defence forces."

It alleged that the plan also called for the development of a nuclear retaliatory force including nuclear warheads and a delivery system.

It said that the Sato Government's "accelerated arms expansion and war preparations were carried out at the orders of USA." "Heavily battered by the Asian people, US imperialism is strongly urging Japan to share its military obligations, using Japan as a tool for pushing its policies of war and aggression in Asia and a shock force in its war of making the Asians fight the Asians.

"The reactionary Sato Government's accelerated arms expansion and war preparations have also had strong support and encouragement from Soviet revisionist social imperialism."

(The Statesman, Calcutta)

[Prev. ref. 8804:JAP:G, 8864:JAP:C, 8891:JAP:B]

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INDIA

A. Andhra Pradesh Cabinet Reshuffle: The Andhra Pradesh Governor, Mr. Khandubhai Desai, accepted the resignations tendered by all the eight Telengana Ministers from the State Cabinet on July 14 and relieved them from their offices immediately.

The Ministers whose resignations were accepted were: Mr. V. B. Raju (Revenue), Mr. J. V. Narsinga Rao (Communications), Mr. P. V. Narsimharao (Education), Mr. B. V. Gurumurthy (Industries), Mr. K. V. Narayana Reddy (Labour), Mr. Arige Ramaswamy (Social Welfare), Mr. Mohamed Ibrahim Ali Ansari (Health) and Mr. S. Siddha Reddy (Irrigation).

While Mr. Gurumurthy tendered his resignation on June 27, the other seven Ministers submitted their resignations on June 28. The Chief Minister had forwarded all the eight resignations to the Governor on June 28 with advice that their resignations might be accepted when alternative arrangements were made. Accordingly, the Government informed the eight Ministers and requested them to continue in office till then.

On July 17, the seven remaining Ministers from Andhra area also resigned to enable the Chief Minister to re-constitute the Ministry with unfettered freedom.

On July 18, the Chief Minister, Mr. K. Brahmananda Reddy re-constituted his Cabinet. It consists of 18 Cabinet Ministers and 11 Ministers of State.

Eleven of the Cabinet Ministers and six Ministers of State hail from the Andhra region and seven Cabinet Ministers and five Ministers of State are from Telengana.

Mr J. V. Narsinga Rao, Communications Minister from Telengana in the out-going Ministry, was designated as Deputy Chief Minister.

From the old Ministry, Mr. P. Thimma Reddy, Mr. Thota Ramaswamy, Mr. N. Chenchurama Naidu, Mr. K. Vijayabhaskar Reddy and Mr. R. Ramalinga Raju of the Andhra region and Mr. J. V. Narasimha Rao, Mr. S. Siddha Reddy and Mr. Ibrahim Ali Ansari of Telengana were retained.

Among those dropped were the Law Minister, Mr. T.V. Raghavulu and the Excise Minister, Mr. V. Satyanarayana from the Andhra region and the Revenue Minister, Mr. V. B. Raju, the Industry Minister, Mr. B. V. Gurumurthy, the Labour Minister, Mr. K. V. Narayana Reddy and the Social Welfare Minister, Mr. A. Ramaswamy.

Allocation Of Portfolios:

Between them the Chief Minister, Mr. K. Brahmananda Reddy, and the Deputy Chief Minister, Mr. J. V. Narsinga Rao, kept to themselves a number of major portfolios.

The Chief Minister is to hold charge of General Administration, Services, Co-operation, Major Industries, Excise and Prohibition, Tribal Welfare, Law Courts, Prisons and Legislature.

Mr. Narsinga Rao will be in charge of Planning, Bureau of Economics, Buildings, Roads, Highways, Public Gardens, City Water Works, PWD Workshops and concurrent subjects relating to Railways and Telegraphs.

The new allocation did not create a separate department for Telengana Affairs under the direct charge of the Deputy Chief Minister, who is from Telengana.

Another important Telengana Minister, Mr. J. Vengalrao, was given Home, Police, Arms Act, Passports, Cinematograph and Elections.

During the peak of Telengana agitation there was strong resentment against the Chief Minister holding the Law and Order portfolio. The transfer of the Police portfolio to a Telengana Minister would take away the sting from earlier criticism.

Mr. P. Thimma Reddy took over Revenue from Mr. V. B. Raju and lost his Agriculture portfolio to Mr. Kakani Venkataratnam, President of the Pradesh Congress Committee.

The portfolios of other Cabinet Ministers are:

Mr. Thota Ramaswamy—Panchayati Raj;

Mr. M. N. Lakshminarasiah—Transport;

Mr. N. Chenchurama Naidu—Municipal Administration;

Mr. C. Ramalinga Raju—Religious and Charitable Endowments;

Mr. S. Siddha Reddy—Major Irrigation;

Mr. Mohammed Ibrahim Ali Ansari—Health and Medical;

Mr. A. Bhagvantha Rao—Handlooms;

Mr. V. Krishnamurthy Naidu—Power;

Mr. G. Sanjiva Reddy—Labour; and

Mr. D. Perumallu—Social Welfare excluding Women's Welfare.

Ministers of State:

Mr. Sagi Suryanarayanan Raju—Forests;

Mr. A. Vasudeva Rao—Information and Public Relations;

Mr. A. Sanjiva Reddy—Civil Supplies;

Mr. Ramachandra Rao Kalyani—Marketing;

Mr. R. Narpa Reddy—Medium Irrigation;

Mrs. Roda Mistry—Women's Welfare and Tourism;

Mr. G. C. Venkanna—Small-Scale Industries;

Mr. V. Purushotham Reddy—Minor Irrigation;

Raja Narasimha—Housing;

Mr. A. Prasada Rao—Commerce; and

Mr. S. R. A. S. Appalal Naidu—Fisheries and Ports.

(**The Times of India**, New Delhi and **The Hindu**, Madras)

[Prev. ref. 9065:INI:B]

B. Expansion Of Punjab Cabinet: The six-man Punjab Cabinet was expanded in Chandigarh on July 21 by the inclusion of four full-fledged Ministers, six Ministers of State and a Chief Parliamentary Secretary.

The three Ministers who were sworn-in the same day were: Mr. Balwant Singh, former Excise and Taxation Minister in the first United Front Ministry (Kapurthala), Mr. Prakash Singh Badal (Giddarbaha) and Mr. Surjit Singh, an advocate of Barnala. The fourth Minister, Mr. Manmohan Kalia (JS) could not reach in time to be sworn-in along with the others.

The following six Ministers of State were also sworn-in: Mr. Satnam Singh Bajwa, a former Minister of State, Mr. Mohan Singh Tur, Mr. Jagdev Singh, Mr. Rawal Singh, Mr. Randhir Singh and Mr. Jiwan Singh Umranangal. The Chief Parliamentary Secretary is Mr. Gurmeet Singh (Akali).

Mr. Balwant Singh was allocated Food and Supplies, and Colonization; Mr. Parkash Singh Badal, Community Development, Panchayati Raj, Animal Husbandry, Dairy and Fisheries; and Mr. Surjit Singh, Education and Language.

The portfolios allocated to Mr. Balwant Singh and Mr. Badal had so far been held by the Chief Minister, Mr. Gurnam Singh, along with about two dozen other portfolios. The Education and Language portfolio was transferred from Mr. Sohan Singh Bassi to Mr. Surjit Singh.

Of the six Ministers of State, Mr. Satnam Singh Bajwa was given independent charge of Forests and Wild Life Preservation, Welfare of Defence Services and Civil Aviation. He was attached to the Chief Minister in Jails Department, to the Finance Minister, Mr. Krishan Lal, in the Finance Department, and to Mr. Balwant Singh in the Food and Supplies Department.

Mr. Mohan Singh Tur was attached *to the Chief Minister for Administration of Sikh Gurdwara Act, 1925, and Mr.* Sohan Singh Bassi in the Irrigation Department. Mr. Jagdev Singh was attached to Mr. Parkash Singh Badal in Community Development and Animal Husbandry.

Mr. Ravel Singh was attached to Mr. Balramdas Tandon in Industries and Cottage Industries, and was given independent charge of Health and Family Planning. Mr. Randhir Singh was attached to Mr. Sohan Singh Bassi in PWD (B and R) Department. Mr. Jiwan Singh Umranangal was attached to Mr. Krishan Lal in Labour and Employment and Local Self-Government Departments and to Mr. Atma Singh in Revenue Department.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8851:INI:O]

C. UP Budget For 1969-70: The UP Government's Budget proposals for 1969-70, announced in Lucknow on July 21, did not contain any new taxation measure, though there was a big overall deficit of over Rs. 39 crores.

Additional resources to the extent of only Rs. 3.96 crores were sought to be raised by rationalizing and stepping up existing taxes and duties.

Of this amount, Rs. 2.87 crores accounted for measures already taken, the rest to be covered by amending legislation to realize Rs. 56,00,000 by raising sales tax on unclassified items from 2 per cent to 3 per cent, Rs. 51,00,000 by increasing taxes on motor vehicles and stage carriages, Rs. 30,00,000 by changing the method of computation of stamp duty and Rs. 300,000 by raising sales tax on motor spirit from 9 paise to 10 paise per litre.

Presenting the Budget to the State Assembly, the State Finance Minister, Mr. L. K. Acharya, said that the estimated revenue receipts were Rs. 389.44 crores and the expenditure Rs. 438.08 crores.

These receipts included the Central grant for Plan expenditure amounting to Rs. 45.47 crores (Rs. 28 crores for the State Plan schemes, and Rs. 17.47 crores for Centrally sponsored schemes), and anticipated net extra receipts of Rs. 2.87 crores from measures taken in the current financial year for raising the State's resources.

Similarly, the estimated revenue expenditure included Rs. 39.49 crores for State Plan schemes and Rs. 17.69 crores for Centrally sponsored schemes. Excluding receipts and expenditure relating to Plan schemes, the revenue receipts and expenditure stood at Rs. 341.10 crores and Rs. 380.90 crores respectively, showing a deficit of Rs. 39.80 crores on the non-Plan side.

He added that the net provision for capital expenditure in the current year, including disbursement for loans and advances by the State Government, was estimated at Rs. 84.88 crores, and with this year's net borrowing of Rs. 59.84 crores, the capital account disclosed a deficit of Rs. 25.04 crores. The total deficit on the revenue and capital account taken together, as such, was estimated at Rs. 73.68 crores, against which net receipts under public account (including withdrawal of Rs. 11.97 crores from reserves) were estimated at Rs. 34.01 crores.

(**National Herald,** Lucknow)

[Prev. ref. 8914:INI:I]

D. Prohibition Ordinance In Rajasthan: The Rajasthan Governor, Mr. Hukam Singh, promulgated in Jaipur on July 22 an Ordinance to introduce and extend the prohibition of manufacture, sale and consumption of liquor in the State.

The Rajasthan Prohibition Ordinance, as it is entitled, extends to the whole of the State and comes into effect in places on dates the State Government may notify from time to time.

In order to administer the Ordinance, the State Government has been empowered to appoint a Prohibition Commissioner with the rank of excise commissioner and other junior officers.

The Ordinance provides that any one found importing, exporting, transporting, consuming or buying liquor, or found in a state of intoxication, would be punished with a maximum imprisonment of two years and a fine of Rs. 2,000.

All offences under the Ordinance will be cognizable, but the Prohibition Commissioner will have the powers to compound the offences.

(**The Statesman,** New Delhi)

[Prev. ref. 7848:INI:X, 8645:INI:H]

E. Cost Of Rajasthan Canal Project: According to revised estimates announced in Jaipur on July 21, the cost of construction of the Rajasthan Canal has gone up by Rs. 87 crores from Rs. 184 crores in 1963 to Rs. 271 crores now.

The project estimates were revised following an increase in the cost of the Beas Dam, the decision for lining the distribution system of the project, rise in the cost of material and increased labour charges.

The share cost of the Beas Dam increased from Rs. 45 crores to Rs. 75 crores and the cost of the works, involving Stages I and II rose from Rs. 75 crores and Rs. 64 crores to Rs. 110 crores and Rs. 86 crores, respectively.

On account of the increase in the intensity of irrigation from 78 per cent to 110 per cent, irrigation facilities from the Canal would now be increased to 3,500,000 acres annually instead of 2,875,000 acres as estimated in 1963.

According to estimates prepared in 1963, the first stage of the project—the main Canal with the distribution system—was proposed to be completed up to 122 miles by 1968-69 and the second stage by **1977-78.**

With the completion of the branches and distributaries of the Canal, the irrigated area has increased from 3,570 acres in 1961-62 to 240,000 acres in 1968-69. This year irrigation benefits will reach approximately 265,000 acres of land.

(**The Statesman,** New Delhi)

[Prev. ref. 7209:INI:C]

F. First Facsimile Edition Of Newspaper: A new step forward in the development of the Indian Press was taken on July 26 when

The Hindu of Madras came out with a facsimile edition of the paper in Coimbatore.

This was the first time a newspaper in India was using this advanced electronic process for publishing an away-from-headquarters edition.

Under this process, pictures of the various pages (page proofs) of the paper, edited and composed in Madras, are transmitted to Coimbatore over the telephone co-axial cable and from the facsimiles, zinc engravings are made and the paper printed.

(**The Hindu**, Madras)

G. **Thirty-nine Race Horses Perish In Bangalore Fire:** Thirty-nine race horses, including some top class animals, died in a big fire that broke out in the thatched stables at the Palace Ground premises in Bangalore on July 25.

Thirty-four of them were burnt to death in the fire that razed to the ground three rows of thatched stables in the Polo Ground, and another five, let loose from adjoining stables, succumbed later to burn injuries.

Some of the trainers who had their horses stabled there said later that many of their charges were in a dazed condition and a large number of them had received burn injuries. In all about 350 horses were said to have been stabled in the area.

The fire, which claimed some of the best Calcutta-based horses aged between two and six, was described by the racing circles as "the worst-ever disaster in the Indian turf history."

All the horses that were burnt alive were stated to have come from Calcutta. Among them was champion three-year-old Amalfy. Calcutta had sent 250 horses out of a total of 600 horses that had come from different centres for the current Bangalore season which ended on July 30. Besides the animals, the riding kits and fodder stocks were also destroyed in the fire.

(**The Hindu**, Madras)

H. **Wealthiest Men:** According to information given by the Minister of State for Finance, Mr. P. C. Sethi in the Lok Sabha on July 21, the wealthiest man in India during 1967-68 was an industrialist—Mr. V. D. Chougule of Vasco, Goa.

The next ten men with over Rs. 1 crore during 1967-68 after Mr. Chougule, were: Maharaja Fatehsinghrao P. Gaekwad, the Nizam's Miscellaneous Trust, the late Dr. Kameshwar Prasad Singh of Darbhanga, the late Nizam Sir Mir Osman Ali Khan Bahadur through legal representatives, Maharaja Rama Varma of Travancore, Raja Vikramsinghji of Gondal, Maharao Madansinghji Saheb of Kutch, the late Maharaja J. M. Scindia of Gwalior by legal representatives and Mr. V. M. Salgaonkar of Vasco, Goa.

The number of persons with wealth over Rs. 1 crore was 24 in 1967-68.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 7009:INI:T, 8050:INI:P]

NEPAL

A. **Chinese Envoy Presents Credentials:** Presenting his credentials to King Mahendra in Khatmandu on July 27, China's new Ambassador, Mr. Wang Tse, assured that his Government would always stand on the side of the Nepalese Government and people in their struggle to safeguard the sovereignty and independence of the country. It would also help fight "imperialist forces."

He said that there had been "long-standing traditional friendship between the peoples of China and Nepal who have always lived together on amicable terms." He re-iterated that Sino-Nepalese relations were founded on the Five Principles of peaceful co-existence. Since the King had taken over State affairs, the relations had been strengthened. China treasured its friendship with Nepal.

Accepting his credentials, the King thanked the Government and people of China for their "friendly help and sincere assistance in our task of national reconstruction."

He appreciated China's achievements in the economic field and said that Nepal had always tried its best to get China its rightful place in the United Nations. "We shall continue our efforts in this direction."

(**The Times of India**, New Delhi)

[Prev. ref. 7003:CHI:B]

B. **Arrangements For Withdrawal Of Indian Military Personnel—Rashtriya Panchayat Resolution:** On July 25, the Rashtriya Panchayat (Parliament), approved a private resolution asking the Government to make arrangements for withdrawal of Indian personnel from northern border checkposts and also of the Indian Military Liaison Group with a view "to further strengthening friendly relations between the two countries."

Approving the resolution, the Foreign Minister, Mr. Gehendra Bahadur Rajbhandari, said that one of the problems facing Nepal after the 1951 Revolution was the modernization and training of the Royal Army. An Indian Military Mission composed of 50 men, including officers, had been invited to Nepal for that.

He added: "Nepal feels that the Indian Military Liaison Group has already completed the work for which it was invited." The Indian personnel in the Kingdom's checkposts and the Indian Military Group were now "no longer necessary, as Nepalis were available to man these posts."

(**The Hindustan Times**, New Delhi)

[Prev. ref. 9095:NEP:A]

PAKISTAN

A. **President R. Nixon's Visit:** The US President, Mr. Richard M. Nixon, arrived in Lahore on August 1 from New Delhi on a 22-hour visit.

On his arrival at Lahore airport, Mr. Nixon, alluding to the strains in US-Pakistan relations resulting from Pakistan's friendship with China, said that he wanted US-Pakistan friendship to be restored on the basis of "mutual trust," and hoped that during his stay he could lay the basis for "eliminating any differences of opinion between the two countries."

He later conferred with President Yahya Khan "in complete frankness and in an atmosphere of great cordiality." The talks were "of an exploratory nature." The general question of the principle of Asian security was discussed but, as a Pakistani spokesman said, "specifics were not gone into." Economic aid to Pakistan was discussed "at some length", while problems between Pakistan and India were discussed "in a general way, the Pakistani side bringing up the Kashmir question as one of "utmost importance." **Radio Pakistan** quoted a US spokesman as saying that Mr. Nixon heard the Pakistani view, but offered no specific comments. A passing reference only was made to China in the general context of Asian security.

The same evening, President Yahya Khan decorated Mr. Nixon with

Nishan-e-Pakistan, the highest civil award of the country.

Mr. Nixon left for Rumania on August 2.

(The Pakistan Times, Lahore and **Radio Pakistan)**

[Prev. ref. 4037:PAK:B, 7019:PAK:C]

B. Proposal For Joint Machinery —President Yahya Khan's Reply To Mrs. I. Gandhi: In a letter replying to the Indian Prime Minister, Mrs. Indira Gandhi's communication in which she proposed the establishment of joint machinery to examine various issues between the two countries, President Yahya Khan said on August 1 that his country was ready to enter into a dialogue with India for normalizing and improving their relations, provided both sides made it clear that the talks would *"encompass all outstanding issues with a view to finding solutions."*

He said that Pakistan's idea of a joint body had been conveyed to the Secretary for External Affairs, Mr. Kewal Singh, during his recent visit to Rawalpindi.

Considering the responsibility that rested on the two Governments for the well-being of several hundred millions of people, he said, "I don't know if there is any other acceptable approach to the problem of placing India-Pakistan relations on a permanent and friendly basis. This was the spirit in which we discussed matters with Mr. Kewal Singh. This is also the spirit in which I am replying to your letter."

"Any two neighbours in our situation are bound to have differences and disagreement, some superficial, some deep-seated. The superficial ones fade away in a hundred ways in course of time and in neighbourly dealings, but the deep-seated ones vitiate the atmosphere and poison relations. It is they which must be eliminated so that minor and transitory issues do not get blown out of proportion."

He added that the removal of minor problems alone would not bring about "that feeling of mutual trust without which friendship among neighbours is illusory." For this reason they should take steps to settle the deep-seated matters.

(Radio Pakistan and **The Statesman,** New Delhi)

[Prev. ref. 9076:PAK:J]

C. Preparation For Elections—President Yahya Khan's Broadcast To Nation: In a broadcast to the nation on August 1, the second since he took over as President, Gen. Yahya Khan announced the appointment of a Chief Election Commissioner to "commence the work of preparing for elections," but indicated that the poll might not take place until after a year or 1½ years.

He called upon the political parties to settle their differences, warning that if broad agreement was not reached within a reasonable period of time he would "go to the nation to have their verdict on the Constitution before elections are held."

Observers noted that Gen. Yahya Khan's warning was similar to F-M Ayub Khan's issued to warring political groups towards the end of his **regime,** when he had threatened to impose a Constitution of his own choice if they did not come to an agreement.

Gen. Yahya Khan also announced that he would appoint a Council of Ministers composed of civilians who would be barred from contesting the proposed elections. The princely States of Dir, Swat and Chitral would be merged in West Pakistan (Mr. Ayub Khan's two sons are married to the daughters of the Wali of Swat). To give the people of East Pakistan a greater sense of participation in the defence of the nation, recruitment to the Army from the East Wing would be doubled forthwith.

He offered to permit the political parties to call meetings of their working committees, but made it clear that there would be no change in the character of the Martial Law administration.

In a brief reference to Indo-Pakistan relations, he expressed the hope that the Farakka talks would yield positive results before long and that India would "see the wisdom of starting discussions on the question of Jammu and Kashmir."

He said that with the signing of official maps and papers relating to the Rann of Kutch and transfer of areas, "we have closed the final chapter of one of the unhappy pasts with India."

He spoke only briefly of his country's relations with China and he said: "From the People's Republic of China, a new Ambassador has arrived with a message of friendship and goodwill from Chairman Mao and other distinguished Chinese leaders."

Reviewing the achievements of his four-month-old administration, he said that one of its main aims—restoration of sanity in the country—had been achieved insofar as it related to law and order.

On the economic front, he spoke of the measures taken to strike a balance between rapid economic growth and broad social objectives.

(Radio Pakistan and **The Statesman,** New Delhi)

[Prev. ref. 8990:PAK:A, 9060:PAK:B]

D. National Budget For 1969-70: The country's new national Budget, presented at a news conference in Rawalpindi on June 28 by a member of the President's Administrative Council, Vice-Admiral S. M. Ahsan, said that Pakistan would spend $520 million on defence during the next financial year—(July 1, 1969—June 30, 1970)—which amounts to 54 per cent of total revenue receipts.

A defence budget of Rs. 2,600 million for the new fiscal year, which began on July 1, was also announced.

The figures revealed by the Navy Chief, Vice-Admiral S. M. Ahsan, showed a Rs. 150-million increase over last year's defence spending.

Admiral Ahsan said that an unavoidable increase in defence spending since 1965 was partly responsible for a 28 per cent cut in money available for the country's current Five-Year Development Plan.

The defence outlay accounted for over half the revenue budget of Rs 4,883 million in the new Budget.

Capital Budget:

In the capital budget, it was proposed that Rs. 5,04,36,00,000 be spent on economic development in the new fiscal year.

A special feature was a block provision of Rs. 400 million for the social sector, including education and welfare, reflecting the Government's concern over the country's out-dated educational system and poverty among urban workers as causes of discontent.

East Pakistan, which feels itself poor in relation to the richer Western Province, gets 53 per cent of the total development outlay against 47 per cent for West Pakistan.

Tax Reductions:

Vice-Admiral Ahsan also announced removal or reduction of taxes on many household items, including cooking fat, tea and soap.

At the same time, he raised the customs duty on cars worth more than Rs. 11,000 from 200 per cent to

300 per cent and raised import duty on machinery and components from 35 to 50 per cent in West Pakistan and from 25 to 30 per cent in East Pakistan.

A new 5 per cent customs duty will be levied on agricultural machinery, while duty was abolished on imported motor-cycles scooters and motorized rickshaws, and reduced on items including tyres for tractors and aluminium tubing.

The growth rate of Pakistan's gross national product had slowed from 7.5 per cent in the fiscal year 1967-68 to 5.2 per cent in 1968-69.

But this still compared favourably with the average of 5.5 per cent growth rate during the successful Second Five-Year Plan from 1960 to 1965.

Comment:

An analysis of published data on Pakistan's Budget shows that country spends 7.5 per cent of its gross national product on defence against India's 3.46 per cent.

Since the 1965 India-Pakistan conflict, Pakistan has procured or has arranged to procure military equipment worth Rs. 350 crores. The figure includes supplies made by the Soviet Union and China. It, however, does not include financial assistance of about Rs. 125 crores given by China for purchase of military hardware from other sources. Addition of this would make China Pakistan's largest source of military aid.

According to "Military Balance 1968-69", published by the Institute for Strategic Studies, London, the total strength of Pakistan's armed forces, including para-military forces which are practically on the same footing as the regular forces, is about 524,000. The pay and allowances of the defence personnel total Rs. 162 crores.

According to the analysis, if the published figure of a Defence Budget of Rs. 260 crores is to be believed after payment of salaries, the Pakistan Government will be left with only Rs. 98 crores for such items of expenditure as purchase of ordnance stores, transportation charges, capital charges and pensions. The conclusion is, therefore, inescapable that Pakistan has intentionally understated its Defence Budget to mislead its own people and the world at large.

The analysis finds that in an attempt to conceal the huge military expenditure, such items as pay of civilians in defence employment, construction of airfields and expenditure on para-military forces, which normally form a large percentage of a country's defence expenditure, have been excluded.

The value of the massive military aid received by Pakistan from USA till 1965, computed at between $1,500 and $2,000 million was not reflected in any of the Budgets. In the same way the aid received from China and other sources since 1965 was also not reflected in the Budget.

(**Dawn**, Karachi and **The Times of India**, New Delhi)

[Prev. ref. 8452:PAK:D]

E. Feasibility Agreement With Canada: Pakistan and Canada have signed an Agreement providing for a grant of $125,000 (Canadian) to finance feasibility study of foodgrain storage and handling requirements at Karachi port and in West Pakistan.

The amount will be available as a grant under Canadian-Pakistan bilateral arrangements.

The Agreement envisages preparation of a comprehensive report to include recommended programmes for the development of storage and handling systems and facilities in the Province.

The feasibility study will be carried out by a group of Canadian consultants who will study all phases of foodgrain storage and handling from the village level up to and including the port.

Recommendations made in the report will cover both the short-term and long-term (up to 2000 AD) grain handling and storage requirements for West Pakistan.

(**The Pakistan High Commission**, New Delhi)

[Prev. ref. 8609:PAK:A]

F. Soviet Aid For East Wing: An Agreement was signed in Dacca on July 29 by representatives of the East Pakistan Industrial Development Corporation and a Soviet firm under which the Soviet Union would supply machinery and technical assistance for setting up a general electric manufacturing plant in Chittagong.

The plant, estimated to cost $39,916,000, will produce sophisticated electrical goods such as power transformers, switch gears and capacitors.

It will be the first modern plant to produce electrical goods on an industrial scale. It will save foreign exchange of $8,430,000 annually for the next five years and over $16,866,000 afterwards.

(**Radio Pakistan**)

[Prev. ref. 7718:PAK:R, 8609:PAK.D]

G. Economic Survey: According to an Economic Survey, the first pre-Budget document released by the Government on June 22, the **per capita** income was estimated to have risen to Rs. 408 during 1968-69 from Rs. 399 in 1967-68.

The document said there was an increase in the growth rate of GNP in 1967-68 to 7.5 per cent due to the improved agricultural production in both East and West Pakistan The growth of agricultural sector in the country that year was "quite impressive."

The growth rate, however, declined considerably to 5.2 per cent in 1968-69 because of unfavourable weather conditions and floods.

Wheat production increased by over 20,00,000 tons to 63,17,000 tons in 1967-68, up from 42,66,000 tons in 1966-67. East Pakistan still had not overcome food deficiency "and it may take a longer time than many of us had thought to become self-sufficient in foodgrain production." But, rice production increased from 94,00,000 tons in 1966-67 to 109,95,000 tons in 1967-68. The production was estimated to be the same in 1968-69.

According to the Survey, "the growth rate in the large-scale industry sector declined from 7.8 per cent in 1967-68 to 7.4 per cent in 1968-69." This sector did not maintain the desired tempo of production because of reduced availability of raw materials due to lesser imports under PL 480 programme and from the country's own resources.

It said: "Production dislocation towards the end of 1968 and early 1969, stemming from political and labour unrest, also caused some setback."

In a separate report, the Planning Commission had estimated that in May the total loss resulting from political unrest would not be more than Rs. 10,00,00,000.

According to the Survey, there was a considerable rise in prices and the cost of living during the last year. The price situation was "under considerable strain during the period April, 1968 to March, 1969. The wholesale price index which had decreased by 9.2 per cent during April, 1967 to March, 1968, increased by 19.6 per cent during April, 1968 to March, 1969. The increase during this period was continuous up to November, 1968, the index rising from 125.72 in April, 1968 to 140.78 in November, 1968. Subsequently it fell, and stood at 135.1 in March, 1969.”

The price rise was particularly sharp in East Pakistan where food prices increased considerably on account of a poorer harvest following two successive floods during 1968. The food index, which stood at 128 in April, 1968, rose to 155.83 in November, 1968. It fell to 145.57 in March, 1969.

In West Pakistan, the rise in the price index was moderate and might be attributed to increase in the prices of food and manufactures, the indices of which rose from 133.67 and 123.58 in April, 1968 to 138.61 and 128.57 respectively in November, 1969. The food index declined afterwards to 130.89 in March, 1969, the manufactures index continued rising to 132.11 in March, 1969.

(**Far Eastern Economic Review**, Hong Kong, **The Pakistan High Commission**, New Delhi and **Dawn**, Karachi)

[Prev. ref. 8452:PAK:D, 9075:PAK:F]

H. East Pakistan Budget For 1969-70: The East Pakistan Budget for 1969-70 presented recently by the Martial Law Administrator, Maj.-Gen. Muzaffaruddin, revealed *a disappointing picture of the economy of the East Wing.*

The Gross Domestic Product of East Pakistan during 1968-69 grew only at the rate of 2.6 per cent, as against the growth rate of 8.6 per cent in 1967-68 and the envisaged target of 5.1 per cent for 1968-69.

The reason for this drastic decline in the growth rate of the GDP during 1968-69 was a decline in agricultural production and a shortfall in industrial production which grew only at the rate of 7 per cent as against the estimated growth of 12 per cent.

In the agricultural sector, jute production fell from 68,50,000 bales in 1967-68 to 58,61,000 bales in 1968-69; production of sugarcane fell from 75,89,000 tons in 1967-68 to 74,29,000 tons in 1968-69; tea production fell from 65 million lbs in 1967-68 to 62 million lbs in 1968-69; production of wheat, potato and groundnut registered marginal increase which could not offset the decline in the production of major crops. Rice production, however, remained the same as in 1967-68, i.e., 10.9 million tonnes.

This great set-back in agriculture was attributed to unfavourable weather conditions and natural calamities like floods. East Pakistan, during 1968-69, imported 7,50,000 tons of wheat from abroad and 2,50,000 tons of rice from West Pakistan to fill the gap between production and requirements.

(**The Statesman**, Calcutta)

[Prev. ref. 8452:PAK:D]

I. Merger Of Khudai Khidmatgars With Awami League: It was made known on July 27 that remnants of Khan Abdul Ghaffar Khan's organization, the Khudai Khidmatgars, had decided to merge with Sheikh Mujibur Rehman's Awami League “in a bid to wage war against the autocratic and dictatorial forces in Pakistan.”

A leader of the Khudai Khidmatgars said that in the present circumstances it was imperative that all democratic forces in the country unite to fight autocracy and dictatorship.

The council of the Khudai Khidmatgars, at a meeting held recently at Peshawar, decided to disband the organization.

It was also learnt that Sheikh Mujibur Rehman had pledged full support for the demand of the Pushtu-speaking people for complete autonomy.

(**The Pakistan Times**, Lahore)

[Prev. ref. 9075:PAK:C & D]

J. “Tirich Mir” Peak Climbed: The British Defence Ministry announced in London on July 25 that three British soldiers had climbed **Tirich Mir**, a major Himalayan peak 25,230 feet high in north-west Pakistan.

The summit was reached by Capt. Henry Day, Capt. Gerry Owens, and Lt. Richard Summerton. They were members of an eight-man British Army Himalayan expedition that left Britain in May.

The climb was made in heavy and drifting snow. The expedition was collecting plants for three British botanical gardens.

The peak had been climbed only once before, by a Norwegian group in 1964.

(**The Times**, London)

[Prev. ref. 6622:PAK:C]

THAILAND

A. Emergency Military Plan With USA: The US State Department admitted on July 10 the existence of an emergency military plan between Thailand and USA.

The Department spokesman, Mr. Robert McCloskey, however, stressed that the plan contained no defence measures not already laid down in the S-EATO and it was in no way a secret agreement between Washington and Bangkok, as had been alleged by a Democratic Senator, Mr. William Fulbright, Chairman of the Senate Foreign Relations Committee. Mr. McCloskey also stressed that the plan could only be applied by the agreement and consent of the parties concerned.

Meanwhile, in Bangkok, the Director of the Budget Bureau has announced that the Government would spend an all-time record of 30,000 million baht (about £600 million)—much of it on defence—in the financial year beginning on October 1.

(**The New York Times**)

[Prev. ref. 8999:THI:A]

VIET-NAM (DR)

A. President Ho Chi-Minh Re-States Demand For Total Withdrawal Of American Troops: President Ho Chi-Minh in a statement, issued in Hanoi on July 19, denounced the US plan to withdraw 25,000 troops from South Viet-Nam (see page 8999) as “a trick” and re-iterated that American withdrawal must be “total and unconditional.”

The statement, commemorating the 15th anniversary of the Geneva Accord, called for a peaceful settlement on the basis of the 10-point plan (page 9001) of the National Liberation Front now being pursued by the Provisional Revolutionary Government at the Paris talks.

The statement said: “The armed forces and people of the North have shattered into pieces the US war of destruction. The armed forces and people of the South are defeating its local war. Since early Spring of 1968 the situation has changed in our favour and developed into disadvantage for the enemy, 4/5th of South Viet-Nam's territory and 3/4th of South Viet-Nam's population have been liberated.

“Under these victorious conditions, the South Viet-Nam Congress of People's Representatives was held and the Provisional Revolutionary Government of the Republic of South Viet-Nam and the Advisory Council were unanimously elected. This Government was immediately recognized by over 20 fraternal countries and warmly hailed by the world people.”

About the American plan for phased withdrawal, it said: "Nixon carries on the scheme of de-Americanization of the war in an attempt to use the puppet troops to fight against the South Viet-Namese people.

"At the Paris conference, the US imperialists still stubbornly trot out extremely absurd demands and refuse to seriously discuss the reasonable and logical 10-point overall solution put forward by the South Viet-Nam National Front for Liberation and being pursued by the Provisional Revolutionary Government of the Republic of South Viet-Nam.

"The Nixon plan to withdraw 25,000 US troops is an attempt to appease the American and world public opinion. That is a mere trick.

"The Viet-Namese people resolutely demand that all US troops and troops of its satellites must be completely withdrawn. It should not be the withdrawal of merely 25,000 or 250,000 or 500,000, but it must be a total and unconditional withdrawal.

"After the total withdrawal of the US and satellite troops and the complete liberation of South Viet-Nam from foreign invasion, the Provisional Revolutionary Government—as provided for in the 10-point overall solution—will organize free and democratic elections to enable the South Viet-Namese people to determine for themselves their own political **regime,** elect a Constituent Assembly, work out a Constitution and set up an official Coalition Government of South Viet-Nam without any foreign country being allowed to interfere.

"As long as US troops remain and the puppet administration continues in existence in South Viet-Nam, there absolutely cannot be really free and democratic elections."

An editorial in the leading North Viet-Nam daily, **Nhan Dan** on July 19 quoted President Ho as saying that the people of Viet-Nam were determined to carry on fighting, not only until the withdrawal of all American troops but also until the downfall of the "Saigon puppet **regime.**" The newspaper called on the North to continue the struggle "heedless of difficulties."

The same theme was taken up at a rally in Hanoi on July 18, when the warning was given: "The fight of our people still has to go through many arduous and fierce trials." One aim of the rally, which was attended by leading political figures from both North and South Viet-Nam, seemed to be to counter the "doves" in the communist ranks who would like to slacken the war effort now that the United States was withdrawing.

The general tone of the statements issued in Hanoi to marking the 15th anniversary of the Geneva Agreement suggested that the hard-liners had the upper hand in Hanoi. They implied that North Viet-Nam believed that concessions to the United States were unnecessary because they were convinced that the Americans had already lost the war.

However, observers said, the declarations of the communists' determination to fight on to a final military victory may be an attempt to mollify North Viet-Nam's main ally, China, which had always opposed a negotiated settlement as a "fraud."

(Consulate-General of the Democratic Republic of Viet-Nam, New Delhi and **The Times,** London)

[Prev. ref. 8999:RVN:A]

ASIA OUTSIDE ASIA

SUMMARY: Five-Power Defence Conference; SDR Scheme; Moon Discoveries; Move For World Bank Aid For Mekong Basin; Collective Security System Proposed By USSR; Non-Aligned Consultative Conference.

A. Five-Power Defence Conference In Canberra: Delegations from Australia, Malaysia, New Zealand, Singapore and Britain met in Canberra on June 19 and 20 in pursuance of the Agreement reached in Kuala Lumpur in June, 1968 (see page 8448) that there should be further consultations at the ministerial level on questions arising from British military withdrawal from South-East Asia.

The Conference proceedings after the opening speeches were private. Welcoming the delegations, the Australian Prime Minister, Mr. J. G. Gorton, emphasized that Australia's decision to keep forces in the area after December, 1971 was evidence of a genuine practical wish to keep the area secure and to assist Australia's neighbours. "But I again re-state the Australian policy that internal disturbances are a matter for the Governments themselves. Australian forces will never be used to keep internal order or become involved in internal policies."

He referred twice to the fact that the defence of Malaya and Singapore was indivisible. This may have been a slip of the tongue for Malaysia, but certainly he did not qualify in any way the statement he had made in Parliament in February that Australian forces would help to defend what he called the whole Malay Peninsula, including Singapore.

In that statement he had also suggested pointedly that an Australian presence would make it easier for Malaysian troops to go to east Malaysia.

The Malaysian Deputy Prime Minister, Tun Abdul Razak, described the situation after the race riots as exclusively an internal matter, and some observers believed that this might have shown his impatience at foreign advice. He argued that the riots did not indicate any basic racial animosity, a view apparently shared by the Singapore Premier, Mr. Lee Kuan Yew, who had described the recent events in Malaysia and Singapore as "our little difficulties."

Mr. Lee went on to warn the Australians that if their ground forces were withdrawn, "in the nature of things a shift would take place and it is unlikely that the **status quo ante** would ever be restored". This warning came after suggestions which he made that other countries, perhaps Japan and even Russia, might be interested.

Mr. Denis Healey, the British Defence Secretary, firmly disposed of the rumour that Britain might slow down the withdrawal of her forces from South-East Asia. He said: "There is no question of changing the basic decision we announced 18 months ago. There is no likelihood of the present Government changing this decision and you must make up your own minds whether any other British Government is likely to do so either."

He said that Britain's contribution to the exercise "Bersatu Padu" (complete unity) in 1970 in the eastern part of the Malay Peninsula, which will be the biggest British exercise outside Europe since the end of the War, would cost £2 million. It would involve two battalions with supporting troops and 40 combat aircraft as well as a squadron of **Hercules** aircraft.

Integrated Air Defence Command: According to Canberra reports, efficient radar backing for an integrated air defence command covering Malaysia and Singapore now seems to be assured as a result of the five-Power talks.

A **communique** said that there would be another Ministerial meeting after the big Commonwealth exercise to be held next year. Malaysia has undertaken to have one of its two new mobile radar systems operating to cover Butterworth on the west coast by September, 1971, when the British will close their station at Western Hill. The second mobile system will be in east Malaysia.

The Australians agreed to provide the first air defence commander, who will be wholly detached from the Royal Australian Air Force. This produced a strong adverse reaction from Malaysia, an official spokesman arguing that it should be made clear now that the commander would be subject to the joint political direction of all five Powers (or four after 1971).

The Australian refusal to approve what would have amounted to yet another commitment with serious implications upset the Malaysians, who were already disturbed by the unnecessarily heavy emphasis placed by Mr. Gorton on the distinction drawn by the Australians between their support for Malaya and for Sabah and Sarawak.

Communique:

The **communique** said in part: *"The representatives of Malaysia, Singapore and the United Kingdom* welcomed the announcements that had been made by the Governments of Australia and New Zealand with respect to the continued stationing *of elements of their armed forces in Malaysia and Singapore after the British withdrawal in 1971.* The representatives of Malaysia, Singapore, Australia and New Zealand also welcomed the re-affirmation by the representative of the United Kingdom Government of its intention to continue exercising and training in the area. The Conference saw these steps as a practical expression of the desire of the countries concerned to assist Malaysia and Singapore in developing their own effective defence capability and as a contribution to the security and stability of the area.

"The Conference noted the arrangements made by the Singapore Government in regard to certain of the former Royal Navy facilities, which would ensure the continuing availability of dockyard and other maintenance support. The Conference welcomed the readiness of Malaysia to maintain and operate the Armament Depot on Singapore Island for the use of the partner countries requiring such facilities and the plan whereby the Malaysian Navy would train Singapore naval personnel, which was a demonstration of the close co-operation between the two countries.

"The Conference also welcomed the advice of the Singapore Government that the existing Royal Navy facilities in the Stores Basin area could be made available to meet requirements for the continuing presence of the Australian and New Zealand Navies. It was agreed that the Naval Advisory Working Groups should be re-convened to continue the study of the transfer of Royal Navy sea and shore training facilities and of other naval facilities that would be required in the Singapore area.

"In the discussion of air defence matters arising from the report of the Air Force Advisory Working Group, the Conference noted with satisfaction the constructive developments which had occurred since the last Ministerial meeting. These included the deployment of a second squadron of Australian supersonic Mirage fighters to Butterworth, with arrangements for the rotation of an element at the Tengah Air Base in Singapore and the availability of Australian aircraft after 1971 for assignment as might be appropriate to the proposed integrated air defence system; the arrangements made between Singapore and the United Kingdom for the acquisition by Singapore of **Bloodhound** missiles; the development of the Singapore Air Force; the impending transfer of a number of Australian Sabre jet fighters to the Royal Malaysian Air Force; the arrangements made by Malaysia and Singapore *for the provision and manning in* good time of the radar facilities appropriate to the integrated air defence system; and the contribution being made by the United Kingdom and Australia in the training of Malaysian and Singapore personnel. The Conference welcomed the information conveyed to the meeting by the Malaysian delegation that the Malaysian Government had entered into a contract for the supply of radar equipment, of which one set will be positioned at Butterworth and will be operational in September, 1971, when the British Government closes Western Hill.

"The Conference agreed that the integrated system for the air defence of Malaysia and Singapore, which was accepted at the Kuala Lumpur conference, should be further developed. Consultations would continue regarding detailed arrangements that might govern contributions to the establishment of the system and the arrangements for its control. The Conference welcomed the positive response by Australia to the proposal of the Air Force Advisory Working Group that when the form of the air defence system had been finally settled, Australia should provide the first air defence Commander.

"The Conference agreed that there should be close consultations at various levels to carry forward the momentum of defence co-operation and that the form of these consultations should be left to the Governments concerned to arrange as circumstances might require. The Ministers agreed that they themselves would meet again after the major Commonwealth exercise planned for the middle of 1970."

(**The Times**, London, **The Straits Times**, Singapore and **Australian High Commission**, New Delhi)

[Prev. ref. 8848:MAL:A]

B. **Special Drawing Rights Scheme—IMF Agreement Amended:** The proposed amendment to the International Monetary Fund's (IMF) Articles of Agreement establishing a new facility based on Special Drawing Rights and making certain changes in the Fund's rules and practices came into force in Washington on July 28.

The amendment was accepted—as required under the Articles—by three-fifths of the Fund's members representing four-fifths of the total voting power.

The amendment entered into force for all 111 members of the IMF whether or not they had accepted it.

This was the greatest single achievement in the continuing evolution of an international monetary system since the Bretton Woods Conference.

[The Special Drawing Rights are a final reserve assets equivalent to gold but not convertible into gold, and are to be issued independent of the balance of payments of any country.]

Under the amended Articles, two separate accounts will be maintained in the Fund—a General Account and a Special Drawing Account. The Fund will carry on its present operations and transactions through the General Account and its transactions relating to Special Drawing Rights through the Special Drawing Account.

To become a participant in the Special Drawing Account, a member has to deposit with the Fund an Instrument setting forth that it undertakes all the obligations of a participant in that Account. Only Fund members may become participants.

At present, 47 members having 68.98 per cent of the total quotas of the Fund have deposited Instruments of Participation. The decisions to allocate Special Drawing Rights are reserved to the Board of

Governors and may only be made by an 85 per cent majority of the total voting power of the participants on the basis of proposals made by the IMF Managing Director with the concurrence of its executive directors.

India's percentage of the total quotas is 3.5 per cent and when the figure for SDRs is finally agreed on—it could be about $3 billion, though Americans are pressing for a higher sum—she would automatically be allocated what is due to her.

But, this is primarily a bookkeeping entry. The SDRs cannot be used, for example, to finance the import of food or steel. They are intended to help the participants to make the necessary adjustments in the case of balance of payments difficulties, though it is expected that each participant will keep an average of 30 per cent of its SDRs with it over a period of five years.

(The **New York Times** and **The Times of India,** New Delhi)

[Prev. ref. 8664:AOA:C, 9084:AOA: D]

C. Fall In Flow Of Funds To Developing Countries: According to a recent UN report, the net flow of financial resources from economically advanced to developing countries in 1968 apparently fell further behind an aid target set by the international community.

Loans, investments and official donations from developed market economies reached $11,250 million in 1968—a gain of 7 per cent over 1967. During this period, however, the gross national product of these countries expanded by an estimated 8.5 per cent in current prices.

The probable result was "that the ratio of total net transfers to gross national product receded fractionally from its 1967 average of 0.68 per cent."

[The aid target endorsed by the General Assembly in December, 1968 calls for each economically advanced country to provide financial resources equal to one per cent of its gross national product annually to the developing countries.]

Credit commitments by the centrally planned economies in 1968 totalled $748 million—a fourth greater than in 1967—but information on the actual movement of resources from those countries to the developing countries in 1968 was lacking when the study was made.

These findings and other information about the financial outlays of international organizations, receipts by developing countries, and the reverse flow of resources from developing countries were contained in a preliminary report, prepared by the Secretary-General, U Thant, entitled "International Flow of Long-Term Capital, and Official Donations, 1964-68."

The report was based on the most recent information gathered by United Nations concerning the various channels by which financial resources were made available to the developing countries. Totals for long-term capital flow were net of repayments or repatriation of capital.

The channels of resources included bilateral public and private transfers, as well as resources donated through international organizations. Among the sources of transfers were the developed market economies, the centrally planned economies, regional banks, and country groupings such as the Development Assistance Committee of the Organization for Economic Co-operation and Development.

The outlays of the major international lending and assistance organizations were lower in 1968 than in 1967, mainly because of a "sharp decline" in disbursement by the International Development Association (IDA).

The report also noted a sharp increase in the activities of the regional banks. The Inter-American Development Bank disbursed a record $165 million; and the Asian Development Bank negotiated loans totalling almost $42 million.

Despite a trade deficit greater than average for recent years, developing countries were able to add more than $1,000 million to their international reserves, which involve holdings of gold, convertible foreign exchange, and among members, drawing rights on the International Monetary Fund.

The principal changes in receipts of financial resources among reporting countries involved the borrowing of long-term private capital, which increased by one-fourth over 1967. Public borrowing was also higher.

There was scant evidence regarding the outflow of resources from developing countries for 1968. Although various economic guideposts did not coincide, "on balance it would appear that, taking all three components (loan repayments, payments of investment income, and changes in the value of developing country assets) into account, the net outflow was greater in 1968 than in 1967."

(UN Newsletter)

[Prev. ref. 8762:AOA:J]

D. Distance To Moon—Laser Beams Bounced Off: Astronomers at Lick Observatory in California reported on August 2 that they had bounced laser beams off a reflector left on the Moon by the US astronauts. Success came after 12 days of failure.

About 500 pulses of red light, 81 times brighter than the Sun's rays, were fired at 30-second intervals. The rays bounced back to the Observatory in 2.5 seconds each.

The Observatory had established the exact distance between the Moon and the Earth. The distance, as measured by them to the nearest 45 metres (150 feet), was 226,970.9 miles.

One of the astronomers, Dr. James Faller told correspondents that the laser reflector was working well and should remain in operation for at least seven years.

Elements In Moon Dust:

On July 30 in Houston (Texas), scientists discovered titanium, a valuable element used in high stress alloys, in the Moon dust brought back by the **Apollo-XI** astronauts.

The scientists reported that they had analysed "a pinch of lunar dust" and found that it also contained a high proportion of titanium compared with terrestrial rocks.

The presence of titanium, found in earth-bound igneous rocks and clay, could be one of the most precious secrets the Moon had given up so far. The high melting point substance is a vital ingredient in alloys used for jet engines, missiles and chemical equipment.

The scientists found no sign of germs—or any other form of life—on the Moon samples.

Twenty-four mice, injected with lunar material, were reported to be "in very good health."

Future Moon Voyages:

The Director of the US Apollo Space Programme, Gen. Samuel Phillips, predicted on August 1 that in future voyages to the Moon, astronauts may be able to walk as far as five miles from their moon-landing craft.

He said that **Apollo-XI** astronaut Neil A. Armstrong, the first man on the Moon, had told him he had walked about 200 feet from the moon-landing craft when he went behind it, out of TV camera range. Plans originally had called for Armstrong and his companion, Edwin R. Aldrin, to move no more than 50 or 75 feet from their craft.

Gen. Phillips said he hoped that the **Apollo-XII** astronauts would be able to range up to 1,500 feet from their landing craft when they made their lunar mission in November. The **Apollo-XII** astronauts would also attempt to bring back to Earth parts of the **Surveyor III** landing craft which reached the Moon in April, 1967. "We will want to study what effects its presence in a lunar environment for 2½ years has had on it. Scientific and engineering results could be interesting."

One of the objectives of the US Moon landing, he said, was to study the value of a base on the Moon and how and where to build it. He thought that by the 1980's there would be some kind of lunar base camp.

(The New York Times, The Times, London and **The Times of India,** New Delhi)

[Prev. ref. 9102:AOA:A]

E. Proposed "Grand Tour" Of Outer Planets: *A panel of American scientists urged the National Aeronautics and Space Administration (NASA) on August 3 to undertake a "grand tour" of the outermost planets in a quest for the secrets of life and fuller understanding of how the universe and solar system came into being.*

Their proposed "national programme," the scientists said, could be carried out with unmanned spacecraft for "a fraction of the total cost" of projects to which the National Aeronautics and Space Administration (NASA) was currently committed.

The "grand tour" of Jupiter, Saturn, Uranus, Neptune and Pluto was made economically and technologically feasible in the late 1970s by the fact that these planets would be in favourable positions that would not occur again until the year 2155.

From Jupiter, spacecraft would be able to use the gravitation pull of each planet as "free energy" to boost them ever deeper into the fringes of solar space.

The programme for exploration of the farthest planets was recommended to NASA in a report published by the Space Science Board of the National Academy of Sciences.

It recommended that NASA should present to Congress in its next budget (fiscal 1971) "a long-term plan for the exploration of the outer parts of the solar system." The space agency already was working on plans for grand tour missions beginning in the 1970s that would last from eight to 11 years. Whether they would mature into authorized commitments depended on Congress and the Administration.

The missions recommended by the Space Science Board would include "a search for and an identification of organic substances of importance to life."

The report proposed these projects: a probe of Jupiter's atmosphere (from a mother ship flying by), 1974: a Jupiter orbit flight, 1977; grand tour mission to Jupiter Uranus and Neptune, 1979; Jupiter and Uranus atmospheric entry probes in early 1980s.

(The New York Times)

[Prev. ref. 7273:AOA:D, 8069:AOA:A, 8489:AOA:H]

F. Miss Universe: Raven-haired 18-year-old Miss Gloria Diaz of the Philippines was crowned Miss Universe in Miami Beach (Florida) on July 19.

The first runner-up was Miss Finland, Harriet Ericksson. She was followed by Miss Australia (Joanne Barrett), Miss Israel (Shava Devy) and Miss Japan (Kikuyo Ohsuka).

Miss Diaz, who speaks English and Spanish, was selected from 66 contestants. She received $10,000 in cash for winning the title and another $10,000 in a personal appearance contract. She also received numerous other prizes.

The dark-eyed Miss Diaz, whose vital statistics are 34-1/2-23-34-1/2 comes from Panaque, Rizal, and is a student at St. Theresa School. She is 5 feet 5 inches tall and weighs 115 lbs.

(The New York Times)

[Prev. ref. 7962:AOA:B]

B. World Increase In Food Output: The Director-General of the Food and Agriculture Organization (FAO), Mr. Addeke H. Boerma, has reported to the UN Economic and Social Council that world food production in 1968 increased between two and three per cent and kept "at least" abreast of population growth.

According to him, food production in the Far East showed a "large and heartening increase."

He said that the food requirements of developing countries would increase at an average yearly rate of 3.9 per cent until 1985 and that a "long, arduous and extremely expensive struggle" would be necessary to achieve an equivalent increase of food production.

On July 18, he told a meeting of the UN Preparatory Committee for the Second Development Decade in Geneva that a target agricultural growth of six per cent a year of the gross domestic product of developing countries during the 70's represented "a goal both desirable and attainable."

He disclosed that the indicative world plan for agricultural growth being prepared by his Organization for submission to the next session of the FAO plenary conference in the Autumn retained a figure close to six per cent as the higher variant.

Even this figure presupposes "a drastic improvement in recent trends," he said. However, he would support this target percentage "assuming that a really substantial effort is made by the developed and the developing countries."

So far as agriculture was concerned, the growth rate which should be aimed at depended primarily on the growth of demand for agricultural products. In turn, the growth of demand could be traced mainly to population increase, exports and rising personal incomes. A GDP rate of six per cent per annum "already requires agriculture to grow much faster than in recent years," he emphasized, and a still higher target "would require that resources be concentrated very largely on economic goals." It would be "hazardous to shoot at a higher GDP target" if social objectives were to be pursued at the same time.

He recalled that food production represented in economic terms "about 85 per cent of the total output of the agricultural sector." The Indicative World Plan estimated that the rate of increase of demand for food in developing countries over the period 1962-85 would be 3.9 per cent a year, while the actual growth of food production for domestic consumption in the developing countries had been between 2.6 and 2.7 per cent a year from the mid-50's to the mid-60's. A major acceleration in the rate of increase would, therefore, be necessary. But about half of the food production in the developing world came from the subsistence sector and rapid increase in this sector was unlikely. "This means that most of the weight of the increased requirements will fall on those zones that produce for the market," and the increase in marketed output could be put at about five per cent a year. This again meant an increase in per caput productivity of about 50 per cent in a decade, "a dynamic rate of growth indeed."

The problem was also one of quality since people with rising incomes bought not only "more food but also better food, especially products of animal origin." FAO estimated that the demand for meat, milk, fish and eggs would increase faster than the demand for cereals—"in Asia more than twice as fast, and overall something like 80 per cent faster." "Our projections and studies have left us somewhat pessimistic concerning the feasibility of the developing countries meeting this growth in demand."

Besides these considerations, which were basically economic, there remained the human problem of "the protein gap." Animal protein was not necessarily a solution, and "indeed, we consider that vegetable protein offers far more practicable chances of overcoming" this nutritional problem.

He also discussed the problem of employment, pointing out that in Asia employment needs of agriculture up to 1985 "may increase faster than the agricultural labour force," but the population increase in that Continent will produce "an intolerable strain on land resources in a few decades." This problem, which was also alarming in other regions, "can, of course, only be met by measures permitting a stabilization of the population." In the meanwhile, "we can hope to do little more in rural areas than prevent the employment situation from deteriorating further."

(The International Herald Tribune, Paris and **FAO Press Release)**

[Prev. ref. 8104:AOA:H]

H. USA Eases Curbs On Trade With China: The US State Department in Washington announced on July 21 easing of trade and travel restrictions towards China.

A spokesman said the action was "consistent with the Nixon Administration's desire to relax tensions and facilitate the development of peaceful contacts between the people of the United States and Communist China."

The announcement came a day before President Nixon and the Secretary of State, Mr. William Rogers, set out on travels that took them to a number of Asian capitals in three weeks.

He announced the following decisions:

(1) American tourists and American residents abroad will thereafter be able to purchase up to $100 worth of goods originating in China. Such purchases were formerly prohibited by the US Government.

(2) Six types of American citizens can have their passports automatically validated or travel to China when the new regulations go into effect. These categories are members of Congress, journalists, professional teachers, scholars with post-graduate degrees and students presently in college, scientists and medical doctors, and representatives of the American Red Cross.

(The New York Times)

[Prev. ref. 8860:CHI:A]

I. Move For World Bank Aid For Mekong Basin Development: The President of the World Bank, Mr. Robert McNamara on July 7 welcomed UN suggestions that the Bank should become more closely associated with the development of the Mekong Basin in which four Asian States—Cambodia, Laos, Thailand and South Viet-Nam—are keenly interested.

Answering a letter sent last April by the UN Secretary General, U Thant, inviting the Bank to take a greater interest in the Mekong project Mr. McNamara said it would be "desirable to work out mutually satisfactory arrangements which would enable the Bank to support UN and the Mekong Committee in formulating an overall plan for the development of the Basin."

[The Committee for co-ordination and investigations of the Lower Mekong Basin was formed in 1957 by the four Governments concerned under the aegis of the Economic Commission for Asia and the Far East (ECAFE).]

In his letter to Mr. McNamara, U Thant had said that the co-operating effort for the development of the Mekong Basin was entering "a new and critical phase" in which it would be in the interest of all concerned if the World Bank was more closely associated with the whole project."

In his answer, Mr. McNamara said that the World Bank should first become more fully informed of the work already done by the Mekong Committee. He announced that he had organized a special unit in the World Bank to start on this information drive immediately.

He also said that he had discussed Mekong Basin affairs with the President of the Asian Development Bank and with a number of countries which are Bank members. All had agreed that the World Bank should give an affirmative answer to U Thant's proposal.

He also stressed the need for the World Bank to work in close co-operation with the Asian Development Bank. "If the World Bank is to become involved in this matter, it would expect to work closely with the Asian Development Bank as well as the UN and the Mekong Committee."

(The New York Times)

[Prev. ref. 7602:LAO:A]

J. Collective Security System In Asia Proposed—Mr. A. Gromyko's Address To Supreme Soviet: The Soviet Foreign Minister, Mr. Andrei Gromyko, in an address to the Supreme Soviet (Parliament) in Moscow on July 10, expressed the hope that the proposal for a system of collective security in Asia would be given serious consideration by Asian Governments.

He added that the question required discussion and consultation on the part of the Governments concerned.

He appeared to be generally pleased with the response that Mr. Brezhnev's idea of Asian security system had evoked in Asian capitals. He, however, denied that the system which Russia had in mind was directed against any country. Any such suggestion was without foundation. The system implied collective efforts by all Asian States.

In a two-hour review of the international situation and Soviet foreign policy, which political observers described as balanced, constructive and exhaustive, Mr. Gromyko spoke warmly of growing ties of friendship with India, explained the threat posed by China, and renewed the Russian offer to the United States to move steadily towards **detente** and disarmament.

He said: "As a result of the strengthening of relations between two sides an atmosphere has been created in relations between the Soviet Union and India in which all questions which arise are resolved in a spirit of confidence and trust, as it should always be the case between good friends. The Soviet Union will do everything necessary to further develop and strengthen friendly co-operation between our country and India, one of the great Asian nations." There was also readiness for continuation and strengthening of friendly relations between the Soviet Union and Pakistan in economy, culture and other fields.

He indicated Soviet willingness for **summit** talks with thte United States when he said that the US President's "pronouncements in favour of a well-prepared Soviet-American **summit** have not, of course, gone unnoticed in the Soviet Union."

He said that Soviet policy was still one of "restoring and developing Sino-Soviet friendship, while, of course, rebuffing any provocations."

He rejected Chinese territorial claims against the Soviet Union as false and hoped the Chinese leaders would come to "the only correct conclusion—that incidents must be avoided, that in the relations between our countries the language of animosity and strength is inappropriate."

He added that the Soviet Union would like to hold wide-ranging talks with its hostile neighbour, China, on the whole problem of mutual relations between them.

He said that the Warsaw Pact would never allow any encroachment on the socialist gains of its member-countries.

At the same time, he rejected as "nothing but slander" the Western allegation that the Soviet Union favoured a curtailed form of sovereignty for its allies.

In a reference to the West Asian situation, he strongly attacked Israeli policies but said it was too early to forecast how the current four-Power talks at United Nations would end.

He also repeated Soviet calls for the full withdrawal of American troops from South Viet-Nam and backed the Viet-Namese communists' stand on ending the war.

He dealt at length with an alleged upsurge of neo-Nazi activities in West Germany but said that the Soviet Government was ready to continue contacts with Bonn on the possibility of an exchange of declarations of non-aggression.

He also proposed the setting up of a nuclear-free area in the Mediterranean.

(**Tass** and **The Times of India,** New Delhi)

[Prev. ref. 8800:ISR:A, 8991:CHI:A, 9099:CHI:A]

K. Non-Aligned Consultative Conference: The Consultative Conference of Non-Aligned Countries approved by acclamation a draft final document in Belgrade on July 11 emphasizing the usefulness of adequate preparations before a meeting of the non-aligned countries' Heads of State.

The seven-page document also reaffirmed the attachment of the States participating in the Conference to the principle of non-alignment.

It expressed support for the Palestine Liberation Organization (PLO) and "all peoples fighting for their independence... and against all forms of foreign domination."

It denounced the "increasingly frequent recourse to the politics of force, including armed intervention, subversive activities and interference in other nations' internal affairs."

It deplored the fact that no measurable progress had been achieved towards security through disarmament.

It expressed its support for the "heroic struggle" the people of Viet-Nam had been waging for years for liberty and independence, and expressed the hope that the Paris peace talks would produce results soon.

The action of imperialist, colonialist and racist forces was being intensified in Africa, particularly Rhodesia, South Africa and the Portuguese possessions.

On West Asia, it expressed support for the restoration of "the Arab people of Palestine in their usurped homeland." The continued occupation of territories of UAR, Jordan and Syria constituted "a violation of UN principles, a challenge to the objectives of non-*alignment* and a grave threat to peace."

Consequently, it called for "the immediate withdrawal of foreign troops from all occupied Arab territories."

It called for the "re-establishment of the People's Republic of China in its legitimate rights and an adaptation of the structures of UN so as to allow all States to play their full part."

It called for improved access to the markets of developed countries and expressed its support for the Algiers Charter and for the proposal by the Organization of African Unity on the convocation of a meeting of Ministers from "the 77 developing countries."

Delegations undertook to develop mutual relations between their countries, to step up co-operation, and to co-ordinate their efforts within UN.

India was among the five countries which expressed reservations on the clause recommending China's admission to United Nations during the drafting of the final **communique** at the consultative meeting of 51 non-aligned countries. The other countries were Afghanistan, Burma, Laos and Jamaica.

Iraq and Syria protested that the final **communique** was not "tough" concerning the withdrawal of Israeli troops from occupied territories.

Algeria and Mauritania, too, protested because the Conference "contained too many countries which should not be with us, and did not contain those which ought to be with us."

Pakistan and Peru sent delegations to the Conference in case their countries were admitted to the non-aligned group. The semi-official Pakistani delegation was composed of four Ambassadors, including the Ambassador to France.

(**The Statesman,** Calcutta and **The Hindu,** Madras)

[Prev. ref. 5772:CEY:A, 8384:INI:A]

L. Monkey Launched Into Space By USA: Bonny, a 14-lb male pigtail monkey born in the jungles of Thailand, was launched by USA on June 28 on a 30-day Earth-orbiting mission to help measure the effects of prolonged weightlessness.

Wearing a nylon flight suit and strapped into an "astronaut" couch, Bonny was blasted aloft aboard **Biosatellite III,** a spacecraft weighing over 1,500 lbs. The craft was launched towards a 250-mile-high orbit by a Thor-Delta rocket.

Because it was the monkey's regular sleep period, he was dozing when the rocket ignited, but radio data showed he awakened quickly as the rocket took off. Officials reported that his heart rate rose from 160 to 200, but it returned to normal shortly after he had achieved orbit. Two hours after launching he was reported in good condition and settling back to rest again.

The satellite with the monkey aboard was catalogued as the 4,000th object launched by the United States.

Returns Safely But Dies:

But, Bonny died suddenly at midnight on July 8, 12 hours after he had landed in the Pacific Ocean following 130 orbits around the Earth in a space capsule.

(**The New York Times**)

[Prev. ref. 4378:AOA:A]

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BAHRAIN

A. Plans For Gulf Defence Force: The Times (London) reported on July 17 an account of the land, sea and air forces which are recommended as the Union Defence Force for the Union of Arab Emirates (UAE—the seven Trucial Sheikhdoms together with Qatar and Bahrain) after the withdrawal of the British forces from the Gulf by the end of 1971.

These recommendations, which have been accepted by the Council of Rulers of the UAE, were made in the report of Maj.-Gen. Sir John Willoughby as military adviser to the Union.

The report had not been published, but it was known that the recommendations amounted broadly for the Army to the expansion of the fully trained and well-tried Trucial Oman Scouts (now about 1,400 British officers and Arab infantry) into a brigade group of, initially, rather more than 2,000 officers and men.

For the Union's Navy the purchase of eight naval patrol craft was recommended, and for the Air Force the purchase of nine Tiger-cat fire units to defend air bases, and also six Hawker Hunter aircraft and a number of light air support and air transport aircraft.

These naval and air units would be joined, in case of external threat, by the forces of individual States in the Union, notably Abu Dhabi, which is by far the richest member. For the poorer rulers the Union forces also presumably constitute a balancing element as they contemplate Abu Dhabi's otherwise dominant position.

The rulers had decided in October, 1968 to set up the Union Defence Force with combined training and a unified command. In addition they agreed then that individual UAE members could maintain their own separate State forces. Abu Dhabi is now recruiting the Abu Dhabi Defence Force, including some 2,400 infantry and 12 Hunter fighter aircraft, and Bahrain, Qatar, Dubai and Ras al Khaymah are in the process of developing small forces—Ras al Khaymah has just announced the setting up of a force of 300 men. The kernel of the defence forces as a deterrent against any disruption of stable conditions in the area would be, however, the Union Defence Force supported in particular by Abu Dhabi.

(**The Times**, London)

[Prev. ref. 8356:IRN:C, 8407:BHR:A, 9019:QTR:A]

INDIA

SUMMARY: Moves For Bases In Indian Ocean; Air Force Appointments; States' Loans; Telengana Agitation Losses; Naxalite Activities; Jute Workers' Strike.

A. Moves For Military Bases In Indian Ocean—Protests To Russia And USA: It was learnt in London on July 12 that India had protested to Russia and USA against what it believed were Soviet and US moves to build rival military bases in the Indian Ocean.

There had been no evidence from the Soviet Union or USA to indicate India's suspicions were justified. Nevertheless, the Indian Government seemed convinced that Russia was planning to transform the Pakistani port of Gwadur, west of Karachi, into a submarine base, ostensibly for Pakistani use and that USA had already begun transforming certain islands in the British Indian Ocean territory into an air and sea transit, communications and storage base.

Taking up the Gwadur affair with the Soviet Union and the American affair with Britain, India had protested against any action which, it feared, would have the effect of importing Big Power rivalries and tensions into the hitherto untroubled Indian Ocean.

Unofficial sources gave the following account of two diplomatic episodes:

In Moscow in recent weeks India had challenged Russia about reports that Pakistan was to be supplied with Soviet submarines and that Gwadur was to be developed as a base able to accommodate and service submarines of the Soviet fleet. The Soviet Union had denied any such intentions. But, India recalled that the Kremlin also had denied plans to provide arms to Pakistan and yet had been doing so.

It was Moscow's general policy not to acquire overseas military bases but to help friendly foreign Powers to build such facilities for themselves.

Then the Russians were in a position—as in the case of the UAR port of Alexandria—to share in the use of these facilities. This, India feared, would happen in Gwadur, which is near Iran's frontier.

In London, the External Affairs Minister, Mr. Dinesh Singh, protested strongly to Britain against the use of its Indian Ocean islands for US military purposes. Mr. Singh advised the British Foreign Secretary, Mr. Michael Stewart, that India was against the build-up of US base facilities in such islands as Aldabra and Diego Suarez.

Mr. Stewart denied that the Americans were planning to build any full-scale military base in this British territory. He insisted that only refuelling and communications facilities, including a satellite tracking station, were being planned. US military authorities were known to be surveying the islands for these purposes.

(**The Times**, London and **The Indian Express**, Bombay)

[Prev. ref. 8981:INI:D]

B. Deputy Chief Of Air Staff—Other Appointments: Air Marshal O. P. Mehra, Air Officer-in-Charge for Maintenance at Air Headquarters, was appointed on August 7 Deputy Chief of the Air Staff in place of Air Marshal M. M. Engineer, who took over as AOC-in-C, Western Air Command.

Air Marshal Mehra was born in January, 1919 and educated at Government College, Lahore where he obtained a Master's Degree in History in April, 1940. In the same year he joined the Indian Air Force. He served for a considerable time in the North-West Frontier Province and later saw action on the Arakan Front in Burma during World War II.

On August 11, Air Vice-Marshal Y. V. Malse, till now Air Officer in-Charge, Administration, was promoted Air Marshal and took over as Air

Officer-in-Charge, Maintenance, succeeding Air Marshal O. P. Mehra.

(The Hindustan Times and **The Statesman,** New Delhi)

[Prev. ref. 8119:INI:O]

C. **CPI (M) Central Committee Criticises World Communist Conference:** The Central Committee of the CPI (M), meeting in Calcutta on July 19, criticised the document of the recent World Communist Conference in Moscow for its "old revisionist understanding" which had sharply divided the world Communist movement.

The Committee expressed the CPI (M)'s firm support to all efforts for joint action against imperialism, but held that consistent struggle against imperialism was not possible unless the Communist parties overcame revisionist and dogmatic deviations.

In a statement, the Central Committee declared that the Moscow document nourished illusions about imperialism accepting peaceful co-existence and solving problems in the spirit of peaceful co-existence. According to the document, the most urgent anti-imperialist task was the struggle for peace; and the most urgent task of the struggle for peace was a Nuclear Non-Proliferation Treaty. "This is how the anti-imperialist movement is being derailed."

The document was also attacked by the Marxists for its revisionist outlook on the role of economic competition between the socialist and imperialist systems, its underestimate of the great role of national liberations struggles, and its belief in the peaceful transition to socialism from capitalism. "Such an erroneous thesis and open concession to it in the background of the monstrous militarization of capitalist States are to fly in the face of facts and realities and to abandon the Marxist-Leninist stand-point on the States as organized violence in the hands of the class in power."

It also strongly protested against the activities of "the revisionist leaders of the Right CPI (of India) who were given an honoured place at the Conference." It alleged that the Rightists had utilized the forum of the Conference to slander and attack China, exposing their "hypocritical claim" to support joint anti-imperiallist action. "Above all, they slandered our party, told base lies and covered their splitting activities in the mass organizations and the United Front Ministries."

(The Statesman, Calcutta)

[Prev. ref. 9006:INI:F]

D. **New States' Loans:** Fifteen State Governments announced on August 11 the issue of their new loans carring interest of 5-3/4 per cent per annum for amounts aggregating Rs. 155 crores.

Only Maharashtra and Gujarat announced their loans with an issue price at par. The remaining 13 States announced their issue price at Rs. 99.50 per cent.

Maharashtra topped the list with a loan of Rs. 22 crores. Next came Tamil Nadu with Rs. 20 crores and Gujarat with Rs. 16 crores.

The borrowing programme of other States was as follow: Andhra Pradesh Rs. 14.50 crores, Assam Rs. 4.50 crores, Bihar Rs. 5.50 crores, Haryana Rs. 5 crores, Kerala Rs. 6 crores, Madhya Pradesh Rs. 8 crores, Mysore Rs. 10 crores, Orissa Rs. 6.50 crores, Punjab Rs. 6 crores, Rajasthan Rs. 7 crores, Uttar Pradesh Rs. 13 crores and West Bengal Rs. 11 crores.

All loans opened for subscriptions on September 1 and closed on September 6.

The loans will be redeemable at par after 12 years i.e. on September 1, 1981 and interest will be paid half-yearly on March 1 and September 1 every year.

The 4 per cent 1969 development loans of 12 States and 4-1/2 per cent 1969 development loans of Bombay and Mysore were accepted at par for conversion into the new loans.

(The Times of India, Bombay)

[Prev. ref. 8537:INI:G]

E. **Total Debt Of States:** According to a review of the finances of of State Governments, published in the Reserve Bank's bulletin on August 4, the total outstanding debt of the State Governments had increased by an annual average of 12.2 per cent since 1960.

The debts had risen from 20.6 per cent of national income (revised series) in 1960-61 to 24.3 per cent in 1967-68, the latest year for which national income data were available.

The total outstanding debt of the 16 State Governments was estimated to be Rs. 7,648 crores at the end of March, 1970, showing an increase of Rs. 371 crores over the outstanding amount of Rs. 7,227 crores at the end of March, 1969.

Of the total outstanding debt anticipated at the end of March, 1970, loans from the Centre would account for Rs. 5,807 crores (75.9 per cent) of the total debt; market borrowing for Rs. 1.101 crores (14.4 per cent); unfunded debt for Rs. 431 crores; and other loans from financial institutions for Rs. 210 crores.

The review made by the economic department of the Reserve Bank was based on the Budgets for 1969-70 of 13 State Governments and vote-on-account Budgets in the case of Andhra, Uttar Pradesh and West Bengal. The review excluded the Budget of Nagaland and those of Union Territories.

(The Times of India, Bombay)

[Prev. ref. 8517:INI:E, 8537:INI:G]

F. **Expansion Of DMK Ministry In Tamil Nadu:** In Madras on August 4, the 10-member DMK Ministry in Tamil Nadu was expanded to 13.

The three new Ministers were Mr. V. R. Nedunchezhian, former Education Minister and General Secretary of the ruling Dravida Munnetra Kazhagam, Mr. N. V. Natarajan and Mr. K. Vezhavendan.

(The Hindu, Madras)

[Prev. ref. 8819:INI:E]

G. **Naga Hostiles Violate Cease-fire:** Three jawans were killed and three others injured when armed Naga hostiles ambushed a convoy of three army vehicles at Chemenyu on the Kohima-Wokha road on August 4.

Curfew was clamped on Kohima, the State capital of Nagaland.

The Nagaland Government thereafter lodged a strongly-worded complaint with the peace observer team over what it called the "unprovoked heavy mortar firings by the underground on the midnight of August 1."

The complaint described the underground action a serious violation of the suspension of operations agreement. It said the underground had opened unprovoked heavy mortar and small arms fire on two security forces posts and some civilian houses.

On August 8, two Naga hostiles and two jawans were killed in a clash after an army convoy was ambushed in the Chakasang area, about 75 km from Kohima. Two hostiles were captured in the encounter which took place on the road between Zumheboto and Chazuba.

This was the third ambush in eight days. Twelve people, including five rebels and four civilians, had so far been killed.

(The Hindustan Standard, Calcutta)

[Prev. ref. 9028:INI:F]

H. Telengana Agitation Losses: The total loss suffered from the seven-month-old Telengana agitation was assessed on August 9 by official statistics at Rs. 50 crores.

This does not include the loss of another Rs. 50 crores that would have otherwise been invested in the State by industrialists from outside, who have been scared away by the agitation.

The "statistics of destruction" compiled officially stated that till the end of July, about 55 buses were burnt, resulting in a loss of Rs. 25,00,000, while damage caused to 30 buses claimed Rs. 1,75,000. The loss of earning to the State Road Transport Corporation was about Rs. 3 crores. Forty members of the staff were injured in the violence.

The Electricity Board suffered a loss of over Rs. 9,00,000 from the closing of the Kothagudem thermal units for some time and also on account of the damage and destruction of property there.

Three mobile tank units, one ambulance and one water tank of the Fire Services Department were damaged in Hyderabad city. Three drivers and one fireman were seriously injured.

The Railways suffered a loss of Rs. 2,00,000 as a result of destruction of property, in addition to the loss of earnings which had not yet been estimated. Six railway bogies and one engine were set on fire. There were nine cases of removal of fish-plates and rails and 11 cases of placing of boulders on the track.

Six railway bridges were attacked. There were 16 cases of burning of sleepers and 12 cases of pelting of stones on railway stations. Railway signal equipment and cabins were attacked at 20 stations and 50 trains were stopped by stone-throwing. There were eight cases of removal of hose pipes.

There were 78 instances of attack on post offices and several electricity poles were uprooted. Ninety-two private vehicles and 48 hotels and cinema houses were attacked. Seven grape gardens were destroyed.

Looting of shops and houses numbered 55. Three tobacco firms were attacked besides a bank, a poultry farm and four cases of burning of Government vehicles, 96 cases of stoning police personnel and 65 schools and 68 Government offices being attacked.

(**The Hindu**, Madras)

[Prev. ref. 9039:INI:A]

I. Naxalite Activities In Andhra Pradesh: Twelve Naxalites were shot dead in an encounter with the police in the Parvathipuram agency area of Srikakulam district of Andhra Pradesh on August 3.

The encounter took place on the Tulsi hills where the police flushed the Naxalites. When the Naxalites saw the police party, they opened fire with muzzleloaders. The police recovered four of these.

According to official circles, this was the fourth major encounter between the police and the Naxalites in recent months.

Over 25 top Naxalites had been arrested so far and the authorities hoped this particular action would be a setback to the Naxalite movement.

With the recent arrival of two more battalions of the Special Armed Police, the authorities had intensified the drive against the Naxalites in Khammam, Warangal and Karimnagar districts of Telengana.

(**The Hindu**, Madras)

[Prev. ref. 9041:INI:B]

J. Assam Assembly Ratifies Reorganization Bill: The Assam Assembly on August 6 unanimously ratified the Constitution (Twenty-second) Amendment Bill relating to the re-organization of Assam.

The Bill had earlier been passed by Parliament. Winding up the debate in the Assembly, the Chief Minister, Mr. B. P. Chaliha said this was a remarkable step for the unity of the hills and plains people of this region. The proper implementation of the scheme would depend on the conduct of the people of Assam, the Government and the Opposition parties.

Leaders of the Hill State People's Democratic Party forced their way into the visitors' gallery of the Assembly and threw leaflets. They also tried to make speeches.

Later, the House reprimanded the party leader, Mr. Bareh, a former chairman of the Shillong Municipal Board, who said he had no other way to represent his party's case to the Assembly as it had no members in the House.

(**The Statesman**, Calcutta)

[Prev. ref. 8957:INI:F]

K. Kerala Order On Cases Against Central Employees—High Court's Ruling: A Full Bench of the Kerala High Court on August 6 held that the Kerala Government's order withdrawing the cases against the Central Government employees who had participated in the one-day token strike on September 19, 1968 was a defiance of the law.

Setting aside the lower court orders granting consent for the withdrawal of these cases and acquittal of the accused, the Court directed re-trial of the offenders by the district magistrates or magistrates other than those who had heard these cases earlier.

It observed: "The State Government, instead of acting for the furtherance of the objects of the law has, through the impugned order (issued on December 24, 1968) contributed to further the mischief of the offender."

(**The Hindu**, Madras)

[Prev. ref. 8731:INI:O]

L. West Bengal Governor: The appointment of Mr. S. S. Dhawan as Governor of West Bengal was officially announced in New Delhi on August 6.

Mr. Dhawan is expected to assume office about the middle of September.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8815:INI:A]

M. Jute Workers' Strike: A strike by workers in the jute industry began in Calcutta on August 3. It ended after eight days on August 12.

An Agreement between representatives of the jute mill-owners and the four central trade union organizations to end the strike was signed in Calcutta on August 11.

The terms of settlement were:

(1) The question of revision of the wage structure in the industry will be referred to a suitable machinery to be set up with such composition, terms of reference and time limit as may be agreed upon by both parties. It is agreed that permanent posts in the mills will be manned by permanent hands; the fixation of permanent complement will also be referred to the machinery.

(2) Pending revision of the wage structure, an **interim** increase of Rs. 30 per month in the basic wages of the workmen will be paid with effect from August 1. There will be no variation in the dearness allowance payable as at the end of July, 1969 consequent upon any change in the consumers' price index of Calcutta; any adjustment on this again will be made after the wage structure has been revised.

(3) An **ad hoc** payment of amount equal to the **interim** increase for one month—Rs. 30—will be made to each workman who was on the roll on August 1, 1969. The payment will be made in the first half of November.

(4) Workmen will call off the strike and resume work on August 12.

The additional burden on the industry as a result of the agreement has been estimated at Rs. 70,00,000 a month. The loss of production due to the eight-day strike is put at about Rs. 9 crores.

(The Hindustan Standard, Calcutta)

[Prev. ref. 3807:INI:R]

ISRAEL

A. West Asia Fighting: *There was continued fighting, both on land and in the air, between Israeli forces on one side and UAR, Jordanian and Syrian forces on the other in the four weeks from July 15 to August 11. The accent was on air attacks.*

On July 15 and 16, UAR and Israeli guns roared intermittently across the Suez Canal and one *Israeli soldier was killed. The firing centered in the Dwad Suwar region, midway along the waterway.*

Later on July 16, the Israelis claimed that Arab gunners in Jordan twice opened machine-gun and mortar fire on Israeli Army patrols in the Beisan Valley on the Israel-Jordan frontier.

Palestinian commandos claimed to have killed a "certain number" of Israeli soldiers and wounded several others in five clashes in Israeli-occupied territory from July 14 to 16. Six commandos were killed in the clashes. Several Israeli vehicles were destroyed.

On July 20, UAR claimed that its ground and air forces had shot down 17 Israeli planes during Israeli air raids on UAR positions.

A military **communique** said that UAR and Israeli planes fought when two formations of Israeli Mirages attacked UAR positions near the town of Ismailia, midway along the Suez Canal.

According to the Israeli State radio, five UAR jets were downed in action at the Suez Canal.

A UAR spokesman said that Israeli attacks on positions including Port Said, Port Fuad and Qantara were made by five successive formations of six planes. He added that in the meantime, UAR's artillery engaged Israeli artillery and tanks along the northern sector of the Canal from Deversoir in the south to Port Fuad in the north.

The air action came after Israeli commandos had raided an Egyptian island fortress in the Gulf of Suez earlier on July 20 in their costliest commando action since the June, 1967 six-day war.

Meanwhile, according to **Cairo Radio,** UAR planes attacked Israeli targets inside the Sinai desert and destroyed a land missile unit and two radar stations on the road leading from El Arish.

According to a Tel Aviv spokesman, Israeli planes struck at UAR artillery and missile bases in the northern sector of the Suez Canal on July 20. A battery of Soviet-made ground-to-air SA-2 missiles was hit during the operation. It was the first time since the 1967 war that Israeli aircraft had bombed military targets on the UAR front.

An Israeli military spokesman said that Israeli jet planes struck at two separate fronts in a matter of hours on July 22 as they swooped on UAR gun emplacements along the Suez Canal and on two El Fatah guerrilla bases inside Jordan. Israeli planes hit gun positions on the Suez Canal for the second time in three days.

Israeli sources claimed that their jets also went into action on July 22 as they attacked the Ma'ad and Hirbetmarka El Fatah bases about six km east of the River Jordan.

A UAR military spokesman said that six UAR civilians were injured and a number of buildings damaged when Israeli heavy guns opened up on civilian targets in Suez and Port Tawfik. A duel between Egyptian and Israeli forces raged for six hours in which heavy artillery, tanks and rockets were used.

In New York, Israel denied on July 24 UAR allegations that its planes had attacked civilian objectives.

The Israeli Ambassador to UN, Mr. Yosef Tekoah, wrote to the UN Security Council that since UAR forces along the Suez Canal carried out "incessant acts of aggression, Israel has no choice but to resort to measures of self-defence."

He added: "These measures are directed exclusively against UAR military positions and against bases from which attacks against Israeli forces originate. Allegations made by the UAR authorities that these measures are aimed against civilian targets are without foundation in fact."

Israeli military sources said that on July 24, nine Soviet-built UAR aircraft were shot down in renewed air and ground action along the Suez Canal. The figure of nine— which was not officially confirmed —would be the biggest bag of Arab planes in one day by the Israelis since the 1967 war. If confirmed, the latest tally would mean that the Israelis had so far shot down 42 Soviet-built UAR planes since the six-day war for a claimed cost of five Israeli aircraft.

These raids came less than 24 hours after President Nasser's statement in Cairo on July 23 that "the Egyptian Army is now ready and able to strike back at Israel on a large scale."

A UAR military spokesman said that on July 25, UAR gunners shot down three Israeli jets over the Suez Canal, bringing the total number of Israeli aircraft downed in the past two days to ten.

UAR MIG fighters also penetrated up to 50 kilometres into Israeli-held Sinai territory where they were able to strike at Israeli targets. All the planes returned unharmed with the exception of one whose pilot parachuted to safety.

According to a Tel Aviv report, Israeli planes bombed and strafed UAR positions in the northern part of the Suez Canal zone on July 25 for 1½ hours. The raid followed UAR shelling in the area.

It was stated in Cairo that UAR had mounted a massive air attack on Israeli positions in Sinai inflicting "heavy casualties" in men and material on July 27. This was the third time in a week that the UAR Air Force had crossed into Sinai to launch an offensive since the Arab-Israeli war in June, 1967.

Observers thought that the steady UAR air activity inside Israeli-held territory marked a definite change in UAR's military posture which until a week earlier had been confined to defensive measures against Israeli attacks.

Cairo Radio said that UAR anti-aircraft guns shot down an Israeli Skyhawk in the Tawfik port region on July 28.

An Israeli military spokesman confirmed a report from Amman that the Israeli Air Force had bombarded concentrations of troops in the Irbid area in the north of the Jordan Valley.

On July 31, an Israeli military spokesman said that the Syrian Air Force attacked an Israeli Army position in the Mount Hermon area while Syrian artillery shelled Kuneitra and Telabouid in the Golan Heights. Neither action caused Israeli casualties. Israeli jets had bombed a Palestinian commando concentration inside Syrian territory on July 30.

Sporadic artillery duels between Egyptian and Israeli batteries erupted along the southern sector of the Suez Canal on August 1. The exchange was the first since July 29.

On August 2, Israeli troops shelled Arab guerrilla posts across the Lebanese border after a rocket attack on the Israeli township of Kiryal Shmoneh. This was the second attack on the township in 48 hours. The attack followed the visit to Kiryal Shmoneh by several Israeli leaders, including the Prime Minister, Mrs. Golda Meir on August 1.

Israeli and Egyptian forces continued exchanges of artillery and light arms fire across the Suez Canal throughout the night of August 5.

Israeli jets crossed the Jordan River on August 6 to strike at Jordanian gun emplacements which had shelled the village of Ashdot Yaacov in the Jordan Valley, south of the Sea of Galilee.

Arab guerrillas claimed on August 8 that they had launched an attack on Israeli outposts in the northern Jordan valley, described by them as the heaviest attack since the June, 1967 war.

A **communique** issued by the Palestine armed *struggle* command said that the assault, along a six-km front, involved "several hundred" guerrillas. It claimed that 60 Israelis were killed or wounded. No mention was made of guerrilla casualties.

An Israeli military spokesman said on August 8 that Israeli planes launched a "very heavy" attack against Jordanian headquarter positions, camps and other sites on August 17.

He added that all Israeli planes returned to base, and denied Jordanian claims that two Israeli aircraft were shot down. The hour-long air offensive was supported by tank fire directed against Jordanian frontier positions in the area.

Fourteen Israeli fighters took part in the raid, which lasted an hour. The planes strafed a village in the Irbid district, 28 miles north of Amman, with rockets. Two military personnel and two civilians were wounded.

According to **Amman Radio,** Jordanian anti-aircraft fire shot down three Israeli aircraft in three separate incidents on August 10.

Curfew was clamped on several areas of Gaza town, where four Israeli soldiers were wounded in a guerrilla attack on August 9.

Israeli aircraft bombed military targets in Jordan and an irrigation canal in Ghor on August 10.

Israelis and Arabs clashed along the Jordan River frontier in the Beisan valley for the second successive day on August 9.

A man and two boys were wounded when Arab gunners in Jordan fired a number of 82-mm mortar shells at Yardena settlement, 15 km south of the Sea of Galilee.

President G. A. Nasser On Liberation Of Occupied Areas:

The UAR President, Col. G. A. Nasser declared at a meeting of the Arab Socialist Union on July 23 that Egypt would fight to liberate all occupied Arab lands, especially Jerusalem.

He went on: "When I say the restoration of our lands, I do not mean Egypt alone. I don't mean just Sinai alone, but all Arab lands and above all Jerusalem. We shall recover the West Bank (of the Jordan River) and the Golan Heights."

America had continued to back Israel, he charged, despite statements by President Kennedy and President Johnson that they would not support any aggression in West Asia. "American arms supplies to Israel while it occupies Arab land mean that USA supports this occupation."

Britain too was supplying Israel with weapons, he charged, but said that British support was stealthy and "under the table" so as not to endanger Britain's interests in the Arab world.

He added: "New efforts are imminent to co-ordinate Arab action at the highest level, with the Palestinian resistance organizations taking part. New efforts would also be made to strengthen the eastern front, which had a vital role to play. The struggle would be very long."

UN Observer Killed:

A Swedish member of the UN Observer Corps in the Suez Canal region, Major B. R. Plane, was killed during sporadic shelling between Israeli and UAR forces at the southern end of the waterway on July 27. He was fatally wounded at Port Ibrahim, on the UAR side of the Canal.

Major Plane was the first UN military observer to be killed in the Suez Canal region since the June, 1967 Arab-Israeli war.

Following Major Plane's death, UN announced on July 29 that it had temporarily closed down three of its 18 cease-fire observation posts along the Suez Canal.

A UN spokesman told newsmen that the Chief Observer, Lt-Gen. Odd Bull had closed down observation posts "Red" and "Kilo" because the shelters there were "totally inadequate" for the Observers' safety and "Mike" because its water supply and electrical system had been knocked out.

(**The Times**, London, **Cairo Radio, The Egyptian Gazette,** Cairo, **The Hindu,** Madras, **Jerusalem Post** and **Tel Aviv Radio**)

[Prev. ref. 9091:ISR:A]

JAPAN

A. National Development Programme: The Government approved on May 31 what was officially described as the new comprehensive National Development Programme.

The Programme,, with 1985 as the target year, will serve as the basis for measures to solve the worsening problems of excessive congestion, sparsity of population and a growing inter-regional gap, and to promote the development of man-power suitable for the emerging "information-centred society" for creating desirable environment for the Japanese people.

The Programme was first formulated in 1962. It has now been revised and new formulae have been incorporated.

It prescribes: (1) concentration of pivotal managerial functions in big cities; (2) establishment of new net-works of transportation, communication and distribution to make these functions systematic; (3) connexion of various localities with big cities through the new net-works to promote industrial development that can bring the characteristics of each locality into full play; (4) creation of desirable environments throughout the country with primary emphasis on human responsibility to protect nature and preserve living environments; and (5) great reliance upon co-operation between the Government and private quarters, and the participation of private "developers," such as realty and construction firms.

The Programme consists of three sections— namely, the "basic plan for comprehensive national land development," "basic idea for comprehensive regional development" and "methods for attaining the planned targets."

To solve problems of excessive congestion and sparsity, the Programme envisions the following basic frame-work with 1985 as the target year. That is, as for land utilization, the total area of waste-land will decline to one-third, while that of roads and residential land will nearly double compared with 1965.

The population will rise to about 120 million, and the number of households will reach approximately 35 million or 1.5 times the 1965 level. Working hours will be shortened, with leisure time increasing 1.4-fold. The gross national product (GNP) will climb to between $360,000 million and $420,000 million. The labour force, meanwhile, will increase to 56 million, of which people in agricultural, forestry and fishery industries will account for less than five million, while white-collar workers will rise to 18 million.

The Programme has three main tasks, which form basic pillars —that is, "formation of a new framework of national land development," "enforcement of industrial development projects," and "preservation of environment."

As for the new "frame-work," transport and communication net-works throughout the country will be expanded further. The net-works will have key routes connecting seven big cities—namely, Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima and Fukuoka—with which innumerable local cities will be linked. The net-works will serve as guideways for the dispersal of population, industry and culture to local areas, while the seven big cities will be re-organized, with primary emphasis on pivotal managerial functions.

As for industrial development projects, planning will be based on the characteristics of each locality in the context of the new transport, communication and distribution net-works.

In the sphere of agriculture, forestry and fishery, for instance, 10 million head of cattle will be necessary to meet the future needs for meat and milk. Therefore, stock raising centres will be built in several areas, including Hokkaido and Kyushu.

As for the manufacturing industry, the improvement of transport net-works will enable them to disperse, and therefore, super-sized industrial bases and crude oil import bases will be constructed in remote districts. Meanwhile, to cope with an expansion of consumption, distribution and processing with storage, distribution and processing functions will be built near major consuming centres.

The people's outdoor recreation hours will double in comparison with 1965. Therefore, well-equipped natural sightseeing and recreation areas covering about 50,000 hectares in all will be developed in mountainous and wooded regions.

The preservation of the environment is a special feature of the Programme. In this field, the natural and cultural heritage will be protected, every effort will be made to prevent public hazard, such as air and water pollution, educational, cultural, transport and sanitary facilities will be improved in provincial cities to make them attractive, medium and super-high apartment houses will be built in big cities, and the "housing-park formula" combining parks and multi-story residential complexes will be adopted in the suburbs of big cities, and water resources will be developed over extensive areas. The cumulative total of such investments is estimated at some 30,000,000 million yen to 50,000,000 million yen ($83,00 million to $140,000 million).

As for large-scale development projects, three types are envisaged. One of them concerns the formation of new transport, communication and other net-works. The second type concerns the construction and improvement of the development bases for agriculture, manufacturing industries, distribution, sightseeing, etc. While these are mostly production capital investments, the projects for realizing them will be pushed along with those for social overhead capital. The third type includes projects to be carried out from a view-point of preserving the environment.

If these basic projects are to be carried out smoothly, it is essential to draw up, in the greatest possible detail, fundamental plans for the comprehensive development of each bloc, which will respect the bloc's individuality and independence and make the most of its characteristics, while giving due consideration to nation-wide co-operation. To that end, the Programme divides the country into seven blocks:

Hokkaido: This region will develop as stock-raising and industrial centres to utilize its relatively vast land and rich natural resources. It will serve as a base for interchanges with Siberia, Alaska and similar adjacent areas.

Tohoku (north-east): The target is to develop this region as a base for trade with the northern areas, as an industrial district adjacent to the Capital Region, and as the nation's biggest food supply centre.

Capital Region: This block will serve as a national centre of government, economy and culture as well as a gateway for international exchanges.

Chubu Region (central Japan): Full of potential viability, this area is expected to develop as sites of secondary and tertiary industries and highly productive agriculture.

Kinki Region (west Japan): It will grow as an economic and cultural centre abreast with the Capital Region, and will serve as the core of western Japan.

Chugoku and Shikoku: The region will develop as the nerve centre of the national economy in western Japan in close conjunction with the Kinki and Kyushu Regions. With the completion of a giant bridge linking Honshu and Shikoku, the coastal industries of the Seto Inland Sea area will grow and expand in a big way with Hiroshima as the core.

Kyushu: This region will not only undergo rapid industrialization, but will also develop as a food supply centre, a sightseeing centre and a base for trade with South-East Asia.

To carry out these plans and projects with success, the Programme has adopted the "mixed government-al private formula" to place great expectations on the participation of private "developers." It also refers to the need to study reforms for the existing local administrative structure, since it is essential to promote the "great sphere administration."

Full studies are also called for regarding the problem of securing land for public use and housing projects and the problem of adjusting and revising the legal systems concerned, both of which the Programme describes as important.

(The Japanese Embassy, New Delhi)

[Prev. ref. 8697:JAP:E]

B. Concern Over Gas Leakage In Okinawa: An accidental leakage of poisonous nerve gas on July 8 in Okinawa injured 25 people, causing widespread consternation in Japan.

The Foreign Ministry on July 18 questioned the United States Minister, Mr. David Osborn, on the incident.

It was the first report that the United States might have stockpiled the gas overseas and it caused resentment in Japan, which is seeking the return of Okinawa. The island has been administered by the United States since 1945.

The Foreign Minister, Mr. Kichi Aichi, said he had asked USA "not to cause uneasiness among the people of Okinawa" by storing the gas there.

The Chief Cabinet Secretary, Mr. Shigeru Hori said later that Mr. Osborn had confirmed that no VX gas weapons were deployed at any US bases in Japan proper. Mr. Hori did not know what was in Okinawa, but he said he believed it was strictly safeguarded by US military authorities.

Mr. Hori's statement regarding the US attitude was elaborated later by Mr. Naraichi Fujiyama, Director-General of the Public Information Bureau of the Foreign Ministry. He said at a news conference that Mr. Osborn told Mr. Fumihiko Togo, Director-General of the American Affairs Bureau of the Foreign Ministry on July 19 that USA had no chemical weapons in Japan proper and did not intend to have them in the future.

Mr. Osborn also told Mr. Togo that there was no possibility the gas would leak over a wide area and cause serious damage. He also said that USA would exert its utmost effort to prevent the occurrence of similar accidents.

US Admission:

The US Pentagon on July 18 admitted that 24 Americans on Okinawa had received medical treatment after a mishap, but refused to confirm or deny a Press report that nerve gas was involved.

In a statement, it said: "As a result of a mishap on Okinawa which occurred on July 8 while they were working on a maintenance operation, 23 United States military personnel and one United States civilian employee were placed under medical observation. All were released and returned to full duty within about six hours. No other persons were involved."

Ryukyu Government's Demand:

Meanwhile, Mr. Chobyo Yara, Chief Executive of the Ryukyu Government, said on July 19 that he would demand that USA remove all nerve gas from Okinawa.

Speaking at a news conference at Naha, Mr. Yara said the storing of such gas for military use in Okinawa had already been confirmed by authorities in Washington.

He said removal of chemical warfare weapons should be added to the objectives of the campaign for removal of nuclear installations and the B-52 bombers and stoppage of the entry of nuclear submarines into Okinawan ports.

He said the gas leakage incident should not be allowed to affect adversely Okinawa's reversion now in sight.

The Okinawa Prefectural Reversion Council (Fukkikyo) issued a statement expressing serious concern over the reported accidental release of lethal gas and demanding immediate removal of such weapons from the Island.

The Okinawa Legislature, meanwhile, also took action on the leakage incident. All the Leftist parties —Socialist Masses, Socialist and Okinawa People's—agreed that they should make preparations to propose a resolution calling for outright removal from Okinawa of all chemical warfare weapons.

(**The Times**, London and **The Japan Times**, Tokyo)

[Prev. ref. 8416:JAP:A, 8802:JAP:B]

C. **New Speaker And Deputy Speaker Elected:** Mr. Mitsujiro Ishii and Mr. Hisao Kodaira, Speaker and Deputy Speaker of the House of Representatives, resigned in the third week of July in the wake of a chaotic Lower House plenary session in which a controversial Health Insurance Bill was passed.

The Lower House cleared the Bill through a standing vote, in contravention to a previous agreement providing for a roll-call vote.

Mr. Ishii and Mr. Kodaira submitted their resignations to Mr. Torao Chino, the Lower House's Secretary-General. They issued a formal statement declaring that they were resigning "in order to make Diet proceedings more orderly."

In the statement, Mr. Ishii declared that the ruling party and the Opposition had confronted each other, with both sides resolved to give no ground. "Under such circumstances, I had to take such a voting procedure."

The House later elected Mr. Takechiyo Matsuda, 84-year-old former Education Minister, as the new Speaker. Mr. Sensuke Fujieda, chairman of the ruling party's public information committee, was named as Deputy Speaker.

They said at a news conference that they would exercise "fair judgment" in handling parliamentary business. Both stressed that they could do so even without withdrawing from the membership of their party as demanded by the Opposition.

A veteran parliamentarian elected to the House 11 times, Mr. Matsuda told newsmen that he would try with all his might to normalize activities in the Diet. "The minority opinion should be taken into consideration, but the ultimate decision must be made by majority principle, which has proved to be the best method of decision-making in a democracy."

The four major Opposition parties, in the meantime, demanded that the Speaker and Deputy Speaker do their best to help prevent the Tories from taking "forcible" action in handling Bills in the Diet.

(**The Japan Times**, Tokyo)

[Prev. ref. 7509:JAP:A]

D. **White Paper On Labour:** According to a recent White Paper issued by the Labour Ministry, about five jobs await every boy or girl who leaves school. Yet the supply of labour, especially of people graduating from middle school and high school, has become even tighter in the past year.

As one solution to the growing shortage of workers, it recommended greater movement of labour between industries, vocations and regions.

In 1968, the average wage of workers rose by 14.2 per cent nominally and 8.5 per cent after price adjustments. In nominal terms it was the highest rise since 1954 and after price adjustments the highest since 1953.

At the same time, labour productivity rose by 14 per cent in 1968, owing mainly to large investments in labour-saving machinery.

It said manufacturing and construction industries were feeling a particularly acute shortage of young workers. This was partly because of an increase in employment in service industries where wages were relatively higher and partly because of a decline in the number of school leavers seeking "blue collar" jobs.

It said consumer prices had been rising fast, while wholesale prices had remained stable, mainly because of differences in the growth of productivity between industries. For instance, productivity was relatively low in agriculture, forestry, fisheries, service industries, and the construction business. These had to raise prices or rates to cover rising wages of their workers under the influence of other industries with higher productivity.

The objective of the labour policy in the future would be to help the national economy secure a long-range growth despite a growing labour shortage. For this purpose, it would be important to make a long-range review of the population problem.

At the same time, it was essential to create conditions for smooth mobility between industries, vocations and regions to match the changes in industrial structure and provide greater efficiency of the national economy as a whole.

It also stressed the need for increased vocational training to improve the quality of labour and increase its adaptability to new technology.

(The International Herald Tribune, Paris)

[Prev. ref. 8597:JAP:A]

KOREA (South)

A. **Referendum Move:** President Park Chung Hee, in a nation-wide TV and radio speech on July 25, endorsed the move of the ruling Democratic Republican Party (DRP) to amend the Constitution to let him run for a third term in 1971.

He said he would hold a "national referendum." If the people voted against the amendment, he would interpret it as a vote of no-confidence and he would at once resign, taking his Government with him.

His timing aroused much speculation. Some observers felt that he wanted to announce it before the US Secretary of State, Mr. William P. Rogers, arrived on July 31 and before he himself visited President Nixon in California on August 22. These observers interpreted the announcement as an answer to any Opposition charges that his move was dictated by Washington. Other observers saw in the decision an effort to gain momentum while militant student rioters were on vacation and while a coalition of opposition elements was still in the early stages of organizing.

[There was violent clashes recently between the police and students protesting against the bid to amend the Constitution which at present forbids him to serve a third term. Five universities were closed and scores of others postponed their pre-vacation examinations.]

The debate on giving the President a third consecutive term had been publicly discussed since the beginning of the year.

An indirect indication of the Government's real intentions came in mid-April when five of the ruling party's more influential members were expelled for a revolt against its leadership. On April 8, a large number of DRP members, in an unprecedented gesture of defiance, sided with the Opposition in wanting to dismiss the Education Minister, Mr. Kwon O-Pyong, who had enjoyed the President's confidence. Some observers felt that the party leadership with President Park at the top was so shocked by his open revolt that they felt tough measures were essential to quell any future attempts at rebellion. Significantly, all the expelled had been doggedly opposed to amending the Constitution.

DRP has 108 seats in the 175-member Assembly. The Opposition New Democrats have 46. Independents number six. A group of members previously expelled from the Government has 14. The Government needs two-thirds for approval—117 votes. This means winning back some expelled members or Independents. If two-thirds approve, the amendment goes to a national referendum. Within 60 days thereafter at least half of the eligible voters must vote, and a simple majority must vote "yes" for the amendment to take effect.

A joint struggle committee composed of former politicians and New Democrats held a joint rally in Seoul on July 19. About 50,000 people heard the New Democrat leader, Dr. Yu Chin-O assail any third-term effort.

(The New York Times and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 8441:KRS:A, 8528:KRS:A]

LEBANON

A. **Czech Diplomat Disappears:** It was disclosed in Beirut on August 7 that Mr. Frantisek August, Third Secretary of the Czechoslovak Embassy, had disappeared with his wife and two children.

There was, however, no official comment on the case. The Embassy merely said that the whereabouts of the Augusts had been unknown for the past three days.

Border authorities said their exit lists showed no family of this name to have left the country.

(The Hindustan Times, New Delhi)

MALAYSIA

A. **UMNO Purge:** Tengku Abdul Rehman's United Malay National Organization (UMNO) on July 12 expelled from its Executive Council a member who had been campaigning for his resignation as Prime Minister.

The member, Dr. Mahathir Bin Muhammad, had circulated an open letter blaming the Tengku for the race riots—the result, he said, of the Malays' resentment of his leadership.

A party statement after a three-hour meeting said he had committed a serious breach of party discipline, which if unchecked would have destroyed unity within the party and the Government.

Stringent security precautions were taken throughout the city while the meeting was held. A special watch was kept on Malay university students, who the previous evening had supported the call for the Tengku's resignation. Another notable political figure departed from the scene, at least temporarily, when Dato Harun bin Haji Idris, the Selangor Chief Minister, left the same day (July 12) for Geneva and London. The May 13 riots had begun after a gathering at his house when Chinese were murdered on the road outside. A statement said he would arrange medical attention for his wife in Geneva and then fly to London to see the Sultan of Selangor, who is on a world tour.

Tengku Abdul Rehman On His Resignation:

Addressing a rally of his supporters at Kejang, near Kuala Lumpur, on August 6, the Tengku said he would step down from the office of Prime Minister and retire from public life only when he decided that he should do it and he would not let "ultras or extremists" decide this for him.

He said: "I was thinking of retiring from public life, but now that there is a cry from extremists for my ouster, I shall not oblige them. I will decide for myself when I should go and will not let these ultras or extremists decide for me."

He added: "There has been no **coup** within the Government. I am there very much Prime Minister and wish to continue in that position."

(The Times, London)

[Prev. ref. 9033:MAL:A]

B. **Time-limit For Language Change-over:** The Government on July 11 set a time-limit on use of English as the main language in secondary schools and universities.

The Education Minister, Dato Abdul Rahman Ya'kub said that final secondary school examinations in English would be in 1977.

From 1978, university entrance examinations would be in Bhasa Malaysia—the national language—and universities and other tertiary institutions would switch to Malay in 1983.

More than half the children in State secondary schools in Malaysia attend English-speaking institutions and English is the main language of commerce as well as in Singapore.

(**The Hindu**, Madras)

[Prev. ref. 7958:MAL:A]

MONGOLIA (Outer)

A. **Trade Protocol With China:** Mongolia and China signed in Ulan Bator on July 24 a Protocol governing trade between the two countries during 1969.

The Protocol was signed by the acting Chinese **Charge d'Affaires,** Mr. Sun Yi-hsien, in his capacity as head of a Chinese trade delegation, and by the Mongolian Vice-Minister of Trade, Mr. Natsagsambu.

(**The Statesman,** Calcutta)

[Prev. ref. 7247:MON:A]

NEPAL

A. **Re-shuffle Of Cabinet Portfolios:** The Information and Broadcasting portfolio so far held by the Foreign Minister, Mr. Gehendra Bahadur Rajbhandari, was transferred to the Home Minister, Mr. Khadga Bahadur Singh in a minor re-shuffle of portfolios announced by the Royal Palace on August 7.

There will now be no Minister of State for Information and Broadcasting.

(**The Statesman,** Calcutta)

[Prev. ref. 8917:NEP:A]

PAKISTAN

A. **Civilian Council Of Ministers Appointed:** President Yahya Khan appointed on August 4 a seven-member civilian Council of Ministers, giving greater representation to the country's East Wing.

None of the four Ministers from East Pakistan or the three from West Pakistan belonged to any existing political party.

The Ministers were: Dr. A. M. Malik, Mr. Abdul Rashid, Mr. A. K. M. Hafeezuddin, Nawab Muzaffar Ali Quizilbash, Mr. Mohammad Shamsul Haq, Maj-Gen. Sher Ali Khan and Mr. Ahsan-ul-Haq.

Dr. Malik was a member of the Suhrawardy Cabinet and had held ministerial posts in the Ayub Government. He had also served as Pakistan's High Commissioner to Australia.

Mr. Abdul Rashid had been Chief Minister of North-West Frontier Province and Inspector-General of the area.

Mr. Hafeezuddin, a former Inspector-General of East Pakistan Police, was Chairman of the East Pakistan Industrial Development Corporation and later Ambassador to Switzerland.

Nawab Quizilbash was Chief Minister of West Punjab, while Mr. Shamsul Haq was Vice-Chancellor of Rajshahi University.

Mr. Abdul Rashid was given the Home Minister and additional charge of Kashmir Affairs and the Frontier Region, while Nawab Quizilbash was appointed Finance Minister.

The other five Ministers were allotted the following portfolios:

Dr. A. Malik—Health, Labour and Family Planning;

Mr. Hafeezuddin—Industries and Natural Resources;

Mr. Shamsul Haq—Education and Scientific Research;

Gen. Sher Ali Khan—Information and Broadcasting; and

Mr. Ahsan-ul-Haq—Commerce.

The appointment of the Cabinet came seven days after Gen. Yahya Khan had announced his decision to take civilians into a Council of Ministers. In a broadcast to the nation, he, however, had made it clear that the civilian Ministers would not be able to contest the General Election that he hoped could be held after a year.

(**Radio Pakistan**)

[Prev. ref. 9124:PAK:C]

B. **Barter Deal With USSR:** It was disclosed in Moscow on August 4 that Pakistan had entered into a deal with the Soviet Union for exchange of rice for low-grade Soviet kerosene.

Last year, the Soviet Union did not import any rice from Pakistan, but in the previous year it had purchased about 16 million roubles' worth of rice.

The barter was outside the long-term Trade Agreement under which exchange of commodities touched the peak in 1967.

Overall trade for 1968 dropped to 43 million roubles' worth from 59 million in 1967.

In the current year, the effort is apparently to reach the target of 50 million roubles envisaged in the long-term Agreement.

(**Radio Pakistan** and **Tass**)

[Prev. ref. 8278:PAK:E]

C. **Construction Of Road In "Occupied" Kashmir—Indian Protest Rejected:** On August 9, Pakistan rejected India's protest against its recent construction of a new road of strategic significance in "occupied" Kashmir with Chinese help.

In its reply to the Indian protest Note dated June 25, Pakistan contended that Jammu and Kashmir had not been "recognized as part of Indian territory" and as such India had "no **locus standi**" to lodge any protest with Pakistan on the construction of the Kara Karan highway.

It said India's Note went against its declared intention of improving relations with Pakistan. It took exception to what it called the threat contained in the Indian Note.

(**Radio Pakistan**)

[Prev. ref. 9066:INI:C]

D. **Ban On Exchange Of Publications With India:** The Government has banned the flow of printed material between India and Pakistan.

Newspapers and books posted in Pakistan for India were returned by the Customs wing of the post office to the senders. Similarly, delivery of Indian newspapers and periodicals in Pakistan was withheld.

Though the ban was enforced much earlier, the Customs officials confirmed only recently that they had received the instructions.

According to **Morning News,** published from Karachi and Dacca, the Customs had issued show-cause notices to all those who had been regularly getting periodicals and newspapers from India. They had been asked to show cause why proceeding for infringement of Customs and foreign exchange regulations should not be instituted against them. Such notices had also been issued to a number of Pakistani newspapers who had been getting Indian journals on an exchange basis.

Meanwhile, there has been criticism of the decision to stop the import of all printed material. From India, numerous letters in leading newspapers such as **Imroze** and **Nawa-e-Waqt** of Lahore, have complained that even religious books printed at such reputed centres as Deoband and Azamgarh in India had not been delivered to readers in Pakistan.

The ban on the import of religious books has caused great hardship to students of theology in Pakistan, because good books in Urdu dealing with the various aspects of Islamic learning are published only in India.

(The Statesman, New Delhi)

[Prev. ref. 5569:PAK:F, 7972:PAK: D]

ASIA OUTSIDE ASIA

A. Racial Problem In Britain: A massive report on Britain's growing race problem, published in London on July 10, has found the situation "profoundly disturbing".

The report, sponsored by the Institute of Race Relations, was based on five years of study and research. Entitled "Colour and Citizenship: A Report on British Race Relations," it examined all facets of the race problem, and made a series of recommendations.

The Institute, an unofficial and non-political body, had commissioned the 800-page report with financial support from the Nuffield Foundation, considering the race problem "a national issue of the first importance". Mr. E. J. B. Rose, a former Director of the International Press Institute in Zurich, was chosen Director and Editor-in-Chief of the survey.

Its most startling conclusion was that the re-establishment of compulsory national service for Britain's young men was "well worth considering". (The draft in Britain was discontinued in 1960.)

The lack of a coherent immigration policy, it said, "has been one of the main factors in the deterioration of race relations in Britain".

It estimated the present Coloured population at more than 1,100,000. It predicted that by 1986 it would number between 2.074,000 and 2,373,000. (The total population of the UK at present is about 55 million).

Breaking down the expected Coloured population of 2,074,000 in 1986, the report said that 768.009 of the Coloured residents would be of Indian origin, 408,000 Pakistani, 474,000 Jamaican, 341.000 other Caribbean countries and 83,000 African. "We are dealing with minorities who are here to stay and they and their children will be part of the future of this country. This is not a situation which can be altered by anything short of a deliberate coercion of these minorities into departure."

(The Times, London)

[Prev. ref. 8714:AOA:F]

B. World Economic Situation—UN Report: A report on the world economic situation, prepared by the UN Economic and Social Council and released on July 6, said that "world production of goods and services in 1968 was almost six per cent above the figure for 1967," a slow-down year.

It added: "The world economy continued to expand vigorously in the early months of 1969." The outstanding problem was still how to correct the imbalances that had emerged during the 1960s with the least possible damage to economic growth.

It said that the six per cent rate of growth in world domestic product was higher than expected and topped the 1960-67 average in all three country groupings—developed market economies, centrally-planned economies, and developing countries. It put the US rate at 5 per cent.

It indicated that in 1968, 24 out of 40 developing countries of Africa, Asia and Latin America had reached or exceeded the goal of the present UN Development Decade for each developing country—a 5 per cent annual growth rate by 1970.

It showed that world exports last year grew by 12 per cent, "one of the highest rates on record." Some of the most important causes of the economic upsurge were good harvests, reflationary policies in some countries and "unexpected resilience of demand" despite anti-inflationary measures in others.

In terms of its impact on activity in other countries, however, "the upswing in the United States was by far the most important single factor." In USA in 1968, domestic demand and prices rose faster, unemployment fell and a copper strike and heavy steel buying in anticipation of a strike put pressure on resources. As a result, US imports went up by $6.3 billion to $33 billion and that meant bigger US imports, especially of automobiles, iron and steel, and copper and especially from Canada, Japan and West Germany.

(The Times, London and **UN Newsletter)**

[Prev. ref. 8501:AOA:F, 8783:AOA: A]

C. Multiple Rocket Launcher Developed By West Germany: On June 6, West Germany paraded a new conventional weapons system —a multiple rocket launcher—said by experts to have the surface destructive power of a small atomic bomb.

A Bonn defence expert said the new weapons system was "the substitute for West Germany's missing atomic potential." It could be fired either singly or in various massed combinations.

Eight prototypes of the recent developed launcher, capable of firing 36 rockets to a distance of 15 km. were trundled past West German Government leaders and senior NATO officers watching an armed forces parade in Adenau, marking NATO's 20th anniversary.

(The Times, London)

[Prev. ref. 8068:INI:N]

D. Ban On Land Travel To Gibraltar: The Spanish Government announced in Madrid on June 7 that it would allow no land travel to Gibraltar from June 9.

The statement said no persons, whatever their nationality, would be allowed through the Linea de la Conception check-point.

The ban was expected to hit Gibraltar's economy hard as some 4,600 Spanish workers commute to the Crown Colony daily. The Government would pay an adequate compensation to the workers.

The announcement was an answer to the new Constitution Britain had granted to the "Rock" on May 30. It said the British Constitution to Gibraltar was a "challenge to the United Nations and a violation of the Treaty of Utrecht dating back to 1713."

(The Times, London)

[Prev. ref. 8502:AOA:H]

E. Space "Junk" Orbiting Earth: There are 1,556 satellites and pieces of space "junk" orbiting the Earth.

The North American Air Defence Command (NORAD) tracks these objects continually as part of America's defence net-work.

NORAD lists 355 of these objects as "payloads"—satellites that are or were sending information back to Earth. The remaining 1,201 are classified as "junk"—spent rocket stages or pieces of satellites that have partially disintegrated.

The largest is the US weather balloon, Pageos, launched on June 24, 1966 and mearuring 100 feet in diameter.

The smallest is a piece of debris which NORAD describes as "about the size of a slice of bread".

(The New York Times)

[Prev. ref. 8759:AOA:A]

F. **Europa Rocket Launching Fails:** The European Launcher Development Organization's (ELDO) Europa F-8 rocket crashed into the Pacific Ocean 13 minutes after blast-off from the Woomera range in Australia on July 3 when the German third stage failed to ignite.

The 100-ton rocket reached a height of 137 miles before it plunged into the Pacific about 2,900 miles north of Woomera.

The 108-foot rocket had blasted off at 22.54 GMT after a perfect countdown and the British Blue Streak first stage and the French Coralie second stage functioned perfectly. But the rocket was 273 miles north of the launch pad when the final stage failed to burn and the rocket continued its free flight until it crashed.

The launch, which came after two postponements because of bad weather, was the ninth of ten planned from the Woomera site before the project moved to French Guiana. The F-8 firing was aimed at testing the operation and the performance of the three-stage satellite launcher which would eventually put an Italian-designed satellite into north-south Polar orbit.

The Europa project was a joint venture sponsored by Britain, France, West Germany, Italy, Belgium and Holland, with Australia supplying range and support facilities.

(The Times, London)

[Prev. ref. 8538:INI:L]

G. **"Intelsat" Satellite Stationed Over Indian Ocean:** The international scheme of global communication through satellites was completed on June 25 when the **Intelsat** F-3 satellite was stationed over the Indian Ocean at a height of 36,000 km.

Two other satellites were already stationed over the Atlantic and the Pacific.

With the help of the satellite over the Indian Ocean, all countries between Japan in the east and Britain in the west can communicate between themselves by reflecting micro-waves **via** the satellite.

India is expected to be in a position to use the satellite only in January, 1970 when the earth station of the Overseas Communication Service at Arvi, about 50 miles from Poona, is likely to be commissioned.

At present, only five countries of the region which have earth stations already, can use the satellite. These are Britain, Japan, Kuwait, Bahrain and Indonesia. By the end of the year, seven more earth stations will be ready in the area, and the total will rise to 19 by the end of 1970.

The satellite over the Indian Ocean was launched on the synchronous equatorial orbit and moved in location of 62.5 degrees East longitude. It has the capability of providing up to 1,200 telephone channels each with several lines. The channels will be shared by the International Tele-communications Satellite Consortium (Intelsat) members in proportion to the costs of the system. India, which along with 67 other countries, is a member of the Consortium, fromed an Asian Pacific group with six other countries to contribute 1.5 per cent of the cost and acquire voting authority for the group.

The satellite will make it possible to establish wide band communications free from fading and possible for a subscriber of telephones to talk without undue interference. This is a multi-access system whereby every country in the region, which can see the satellite, can work with every other country of the region and meet its requirements of tele-communications.

In due course, with the development of the switching centre at Bombay and adoption of the global switching plan, it will be possible for a subscriber of telephone or telex in one country to directly call a subscriber in any other country.

(The Hindustan Times, New Delhi)

[Prev. ref. 8996:KWT:A]

H. **Life In Outer Space—Soviet Scientists' Conclusions:** According to a USSR Government report on space research during 1968, Soviet scientists have concluded that life is impossible on the Moon but possible on Mars and not to be ruled out on Venus, hot as that planet is.

The report was published in UN's annual review of national and international space activities, a General Assembly document.

"With the development of space research," it said, "the problem of detecting life on the celestial bodies closest to the Earth by means of spacecraft is becoming a priority matter. Greater attention has been paid to developing methods of detecting signs of life on other planets."

Besides that, "Soviet scientists are investigating the possible limits on the existence of life," to see whether it can exist under conditions different from those on Earth. They seem to think life cannot exist without natural agents that can move matter around, presumably to bring food, remove wastes and spread seeds for living things without built-in means of locomotion.

But they seem to think life can exist at much higher than earthly temperatures. "On Mars, where free liquid water is absent, life is possible using matter transfer by frost, ice in the soil, water vapour and the wind."

(Tass)

[Prev. ref. 8034:AOA:E, 9036:AOA:D]

I. **World Population:** According to the UN Statistical Year-Book, world population in mid-1967, the latest date for which meaningful statistics had been collated, was 3,420 million—516 million above the mid-1958 figure.

Asia, excluding the Soviet Union, had the largest population of 1,907 million, of which 720 million were estimated to live in China and 511 million in India.

Europe had 452 million people and was the most densely populated Continent.

Oceania with only 18,100,000 people had the least density—two people per square kilometre.

Latin America's population of 529 million exceeded that of North America by 39 million and also showed the biggest annual increase —29.9 per cent.

Africa had 328 million people and showed an annual increase of 2.4 per cent.

(UN Newsletter)

[Prev. ref. 8668:AOA:I]

J. **Britain Sinking—"Science Journal's" Findings:** The **Science Journal,** in its number published in London on June 28, disclosed that Britain was sinking.

It said that research had shown that the whole of Britain south of a line from North Wales to Yorkshire was sinking gradually into the English Channel and the North Sea, while the northern half of the country and Scotland were slowly rising. The south-eastern part of Britain was most seriously threatened.

It claimed that within 1,500 years some districts of London could have disappeared below the sea.

In the nearer future, it said, Britain's East Coast would become increasingly vulnerable to flooding at times when high tides coincide with strong winds, as was the case in 1953.

These predictions came from Mr. Richard Taylor, who specialises in technological research at the British Steel Corporation, and Dr. Ian Smalleq, a lecturer in civil engineering at Leeds University.

In a detailed study of earth movements, they said: "The tilting occurs about a line running from Devon, through South Wales and across the middle of England to North Yorkshire. The land to the north and west of this line is rising and to the south and east, sinking."

They said that Britain was not *the only country which* could one *day be facing disaster.* The situation *was absolutely critical in Holland which* was low-lying now and was sinking still lower. "The overall sinking in Britain affects all the *lands bordering the North Sea."*

Harlech Castle in Wales, they suggested, provided evidence that the west of Britain was being uplifted. "The Castle was built in 1286 on the mid-Wales coast with a water gate for easy access to the sea—it is now one kilometre from the sea and stands on a cliff."

(The Times, London)

K. St. Peter's Letters Consigned To Vatican Archives: Pope Paul on June 28 consigned a priceless 3rd Century papyrus, believed to be the oldest transcript of two letters written by St. Peter, to the Vatican archives.

At a brief ceremony in the Vatican library, the Pope described the document given him by a Swiss collector, Mr. Martin Bodmer, as a "precious text" and thanked Mr. Bodmer in his absence for the gift.

There had been controversy about the two letters, which were sent by St. Peter, the first Pope, to encourage faith among the Christians in Asia Minor and were included in the Canon of Holy Scripture. The first letter was accepted as genuine, but there has been some doubt among scholars about the second.

The papyrus, written in Greek, was first published 10 years ago after being found in North Africa, where strong Christian communities existed in the early centuries after Christ.

It was the first time both letters, transcribed from St. Peter's original text, were found together, and Vatican scholars hailed this as proving the genuine nature of both epistles.

(The Times, London)

[Prev. ref. 8489:AOA:F]

L. Solar Observatory Put Into Orbit By USA: A complex new solar observatory rocketed into orbit on August 9 from Cape Kennedy equipped to zoom its telescopic eyes on more than 10,000 points around the Sun's boiling surface for close-up studies of solar flares and sun spots.

The $12-million spacecraft was called OSO-6 (sixth Orbiting Solar Observatory). With the launch occurring during a period of near-peak flare activity in the Sun's 11-year solar cycle, the satellite could lead to the best understanding yet of solar radiation storms that disrupt radio communications on Earth and are a potential hazard to Moon-bound astronauts.

OSO-6 reports were expected to help scientists in their efforts to devise ways to predict the development of solar flares and provide advance warning of intense radiation activity that could affect the scheduling of **Apollo** Moon flights. Astronauts were protected from solar radiation by the walls of their spaceships, but they had no such protection when they were walking on the lunar surface.

(The New York Times)

[Prev. ref. 8713:AOA:B]

SPORT

A. East Zone Davis Cup Final: India took a commanding 2-0 lead in the East Zone Davis Cup final in Poona on May 10 when Ramanathan Krishnan out-played the Japanese second-stringer, Ichizo Konishi 6-2, 6-4, 6-4 in 75 minutes.

Premjit Lall, touching his most aggressive form, defeated the Japanese champion, Koji Watanabe, 6-2, 6-3, 6-4, in 85 minutes.

On May 11, India clinched the East Zone Davis Cup final when she took a 3-0 lead over Japan in the best-of-five series.

Having won both the opening singles, India also triumphed in the doubles when Premjit Lall and Jaideep Mukherjea defeated Koji Watanabe and Junzo Kawamori in a close four-set tussle 6-3, 13-11, 7-9 6-4 in 2½ hours.

On May 12, playing for the third day in succession, Premjit Lall defeated Ichizo Konishi, 6-3, 6-1, 6-1, in just an hour.

Shiv Prakash Misra, who substituted for Krishnan, downed Koji Watanbe, 6-3, 6-3, 5-7, 6-2 in the final match. India thus handed a five-nil drubbing to Japan. This was the ninth time in a row that India beat her opponents in the East Zone Davis Cup final.

(The Times of India, Bombay and New Delhi)

[Prev. ref. 8578:SPO:B]

B. Wimbledon Tennis Title: Australia's top tennis player, Rod Laver, won the Wimbledon tennis men's singles title in the final played on July 5.

He beat his fellow Australian John Newcombe 6-4, 5-7, 6-4, 6-4.

Laver had won the world's premier tennis title twice as an amateur and took the first open Wimbledon crown in 1968. He now needed to win only the United States title to complete the grand slam of all four major championships in the same season for the second time.

Australians John Newcombe and Tony Roche retained their Wimbledon men's doubles tennis title when they beat Tom Okker (Holland) and Marty Riessen (US) 7-5, 1-9, 6-3 in the final.

Kazuko Sawamatsu, Japanese girl champion, won the junior girls' crown beating Brenda Kirk (South Africa) 6-3, 1-6, 7-5.

Australians Margaret Court and Judy Tegart won the women's title by beating Americans Patti Hogan and Margaret Michael 9-7, 6-2.

Earlier, on July 4, Britain's leading player, Mrs. Anne Jones won the women's singles title, beating Mrs. Billie Jean King of USA 3-6, 6-3, 6-2.

(The Times, London and **The Hindu,** Madras)

[Prev. ref. 8534:SPO:A]

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CEYLON

A. Budget For 1969-70: Several new proposals were made by the Minister for Finance, Mr. U. B. Wanninayake, while presenting to Parliament the Budget estimates for the financial year beginning October 1.

The estimates provided for an annual expenditure of Rs. 12.5 crores in implementing the recommendations of a Salaries Commission which had recently proposed a general upward revision of public service salaries.

Mr. Wanninayake said the success of the Government's economic policies was clearly shown by the high rate of growth achieved in the last few years: 4.4 per cent in 1967 and 8.3 per cent in 1968 (in real terms). The most impressive performance was in the field of agriculture. Rice production which had slumped to 36 million bushels in 1965 had risen to 65 million bushels in 1968 and was expected to rise further to 71 million bushels this year, almost double the 1965 level. Rubber production had risen from 261 million lbs in 1965 to 328 million lbs in 1968.

He said the growth in industry was also substantial. Between 1965 and 1968 the value of output of State Industrial Corporations rose from Rs. 70 million to Rs. 262 million, while production in the private sector also recorded a substantial increase. The pattern of industrial output had also changed. The share of investment and intermediate goods in total output had increased from 37 per cent in 1964 to 50 per cent in 1968.

Gross domestic capital production had increased by 8.6 per cent in 1966, 15.1 per cent in 1967 and 14.7 per cent in 1968.

New Revenue Proposals:

The new revenue measures introduced in the Budget included:

(a) New export duties for a range of products including cocoa, cardamom, cinnamon and graphite, to yield Rs. 2 crores additional revenue;

(b) Changes in the business turnover tax including its application to cigarettes and the lowering of the exemption limit to Rs. 75,000 per year, to yield an additional Rs. 5 crores; and

(c) Higher telephone call charges to bring in a further Rs. 60,00,000.

A sum of Rs. 3 crores will be credited to revenue from the profits of State corporations. The total addition to revenue from these measures will be Rs. 10.6 crores.

More funds are expected to be available from institutional investors like the Ceylon Insurance Corporation, and the rate of interest offered on deposits with the savings institutions would be raised to promote domestic savings.

Mr. Wanninayake said that the trends for this year seemed to indicate a growth in real national product of 6 per cent. He visualized a somewhat lower rate of expansion for domestic agriculture, industry and the service sector and a slightly higher rate of growth for export agriculture.

Export earnings, he said, were expected to rise by Rs. 5.5 crores to Rs. 203 crores. Income from tea exports was expected to be lower by Rs. 4.6 crores at Rs. 111.5 crores, but export receipts from rubber, coconut and minor products were expected to expand.

With a greater volume of foreign aid likely to be available, the Budget envisaged an increase in import capacity by Rs. 20 crores to Rs. 254 crores.

Remittances To India:

Invisible transactions were expected to show a net deficit of Rs. 8 crores. Increased provision for outward payments was made for remittances to India in respect of repatriates under the Indo-Ceylon Agreement, and for remittances of profits and dividends to investors abroad.

The total current account payments deficit, on merchandise and invisibles, was expected to be Rs. 59 crores, as against Rs. 34.6 crores in 1968. Foreign loan payments falling due in 1969 would total Rs. 38 crores, making the total foreign payments deficit Rs. 97 crores.

The following sources of finance would be available to meet this payments deficit: commodity aid Rs. 42.3 crores, project aid Rs. 13.6 crores, suppliers' credits Rs. 27.9 crores, IMF drawings Rs. 7.7 crores; and other credits Rs. 5.5 crores; total: Rs. 97 crores.

(**The Hindu**, Madras and **The Ceylon High Commission**, New Delhi)

[Prev. ref. 8547:CEY:A]

B. Shipping Corporation To Ply Four Ships: The Shipping Corporation has signed an Agreement with the Shipping Corporation of India providing for co-operation between them.

The Ceylon Corporation proposes to operate as early as practicable a fleet of four ships which will operate on the UK/Continent/Ceylon route. In due course the Corporation expects to extend its operations to other routes, e.g. Ceylon/Far East.

The Corporation has decided to purchase immediately one second-hand vessel at a cost of approximately Rs. 11 million and to charter at least one other ship. It will apply for membership of the Ceylon/UK/Eire and Ceylon/Continental Conference Lines.

It hopes to obtain progressively a reasonable share in the carriage of Ceylon's exports and imports which now total Rs. 450 crores annually. A substantial portion of these imports and exports is made by Government departments and agencies.

The Chairman of the Corporation is Mr. K. Alva Pillai, a retired senior administrator, who is also Chairman of the Petroleum Corporation. The authorized capital of the Corporation is Rs. 10 crores, of which Rs. 16 million worth of shares are to be issued for a start.

(**The Ceylon High Commission**, New Delhi)

[Prev. ref. 8523:CEY:B]

C. Diplomatic Appointments: The following diplomatic postings have been announced:

Mr. G. S. Peiris, Ambassador to West Germany is to succeed Mr. L. S. B. Perera as High Commissioner in Canada.

Mr. S. J. Walpita has been appointed Ambassador to West Germany in succession to Mr. G. S. Peiris.

Dr. M. V. P. Peiris, at present Ambassador to USSR, is to succeed

Sir Lalita Rajapakse as High Commissioner in the United Kingdom.

Mr. C. O. Cooray, at present High Commissioner in Australia, has been appointed Ambassador to the United Arab Republic in succession to Maj-Gen A. M. Muttucumaru.

Mr. N. J. L. Jansz is to succeed Mr. C. O. Cooray as High Commissioner in Australia.

Mr. R. A. Kannangara has been appointed Ambassador to Italy in succession to the late Maj-Gen. H.W.G. Wijekoon.

(The Ceylon High Commission,
New Delhi)

[Prev. ref. 5399:CEY:B, 8909:CEY:C]

D. Private Sales Of Tea Allowed: Private sales of tea to all countries have been allowed from August 1.

Private sales of tea outside the auctions were allowed to USA and Canada as a trial measure from March, 1967 for six months. This concession was extended from time to time.

The Government decided subsequently on December 31, 1968 that private sales to the following countries should be allowed until further notice: USA, Canada, Ireland, West Germany, Italy, France, Belgium, Netherlands and Luxembourg.

The Government has now decided that from August 1, private sales of tea outside the auctions be allowed as a trial measure to all countries.

(The Ceylon High Commission,
New Delhi)

[Prev. ref. 8299:CEY:D, 8623:CEY:A]

INDIA

SUMMARY: Mr. V. V. Giri Elected President; Independence Day Anniversary; Farakka Barrage Issue; Trade Pact With Afghanistan; New Speaker Of Lok Sabha.

A. Mr. V. V. Giri Elected President Of India: Mr. V. V. Giri was declared elected President on August 20. Polling took place on August 16.

Mr. Giri greeted his victory with a statement suggesting that he considered it a "success of the democratic tradition for which we have laid a secure base."

The Congress President, Mr. S. Nijalingappa, congratulated Mr. Giri on his victory. At the same time he expressed regret that a "large number of Congressmen" had not done their duty and had voted against the party's candidate, Mr. N. Sanjiva Reddy.

Mr. Giri was elected in the second count, needing only 16,654 second preference votes to win. He secured over 15,000 Parliament votes and the remaining margin was made good by votes from the States. He won by a margin of 14,650 votes.

In the most closely-contested Presidential election in India's history, Mr. Giri obtained a lead of 87,967 votes over Mr. N. Sanjiva Reddy in in the first count, but failed to get an absolute majority of the valid votes polled.

In a day of fluctuating fortunes, with Mr. Giri's supporters downcast until the Uttar Pradesh Assembly results were announced, the outcome of the election remained in the balance until after 10 p.m. because of Mr. Reddy's expected gains in second preference votes from the Jana Sangh and Swatantra Party.

The most surprising result was from UP, which gave Mr. Giri a score of 181 to 138 in a State in which Mr. Reddy's supporters had expected to secure a majority. Other surprises were provided by Bihar (where Mr. Giri again made a good showing), Haryana (where he secured a surprising edge over Mr. Reddy) and Orissa (where the Giri-Reddy score-card stood at 67 to 15)

In Parliament, the voting in the first count indicated that defections among Congress Members of Parliament reached the level of over 170. Defections from the Congress in the States reached an average of 30 per cent.

What tipped the scales in favour of Mr. Giri was the support gained by him from the Opposition parties. Apart from the expected support he received from the two Communist Parties, DMK and Akalis, he seemed to have obtained crucial support from BKD members in UP and some members of other Opposition parties. There were, on the other hand, defections from DMK to the Congress in Tamil Nadu.

The counting of the votes in Parliament House was spread over 11 hours. When the time came for the official announcement, the Returning Officer proclaimed: "I, S. L. Shakdher, Returning Officer for the Presidential election, hereby declare Mr. V. V. Giri, of 4, Giri Road, Theogarayanagar, Madras-17, duly elected to the office of the President of India."

He said that Mr. Giri had secured 4,20,077 votes and Mr. Reddy 4,05,427 votes.

In the States, 39 MLAs had voted for some of the other candidates, the total value of their votes being 5,049.

Seventy-one ballot papers were rejected.

The votes polled by the different candidates were:

Mr. V. V. Giri 4,20,077; Mr. N. Sanjiva Reddy 4,05,427; Mr. C. D. Deshmukh 1,12,769; Mrs. Gurcharan Kaur 940; Mr. Hari Ram 125; Mr. Khubi Ram 94; Mr. Babulal Mag 576; Mr. P. N. Rajbhoj 831; Mr. C. D. Senani 5,814 and Mr. S. M. Anirudh 125.

Mr. Giri was the first non-Congress President to be elected since Independence.

Tally Of Votes:

The following is the tally of first preference votes cast in the Presidential election:

Andhra Pradesh:

Candidate	Votes	Value
Reddy	118	14,750
Giri	131	16,375
Deshmukh	18	2,250
Others	5	625
Rejected ballots	9	—

Assam:

Candidate	Votes	Value
Reddy	57	5,358
Giri	48	4,512
Deshmukh	1	94
Rejected ballots	6	—

Bihar:

Candidate	Votes	Value
Reddy	116	16,206
Giri	165	24,090
Deshmukh	36	5,256
Others	1	146
Rejected ballots	4	—

Gujarat:

Candidate	Votes	Value
Reddy	102	12,546
Giri	12	1,476
Deshmukh	51	6,273
Others	2	246
Rejected ballot	1	—

Haryana:

Candidate	Votes	Value
Reddy	32	3,008
Giri	37	3,478
Deshmukh	8	752
Others	1	94

Jammu & Kashmir:

Candidate	Votes	Value
Reddy	8	473
Giri	58	3,422
Deshmukh	2	118

Maharashtra:

Candidate	Votes	Value
Reddy	210	29,346
Giri	50	7,300
Deshmukh	12	1,752

Others	3	438
Rejected ballots	2	..

Nagaland:

Candidate	Votes	Value
Giri	38	226
Reddy	4	28
Others	1	7
Rejected ballots	7	—

Orissa:

Candidate	Votes	Value
Giri	67	8,375
Reddy	15	1,875
Deshmukh	46	5,750
Rejected ballots	5	—

Punjab:

Candidate	Votes	Value
Giri	80	8,560
Reddy	10	1,070
Deshmukh	7	749
Others	1	107
Rejected ballots	3	..

Rajasthan:

Candidate	Votes	Value
Reddy	98	10,780
Giri	35	3,850
Deshmukh	41	4,510
Rejected ballots	6	—

Tamil Nadu:

Candidate	Votes	Value
Giri	142	20,448
Reddy	54	7,776
Deshmukh	22	3,168
Others	6	864
Rejected ballots	6	—

West Bengal:

Candidate	Votes	Value
Giri	248	31,000
Reddy	25	3,125
Rejected ballots	1	—

Uttar Pradesh:

Candidate	Votes	Value
Giri	181	31,494
Reddy	138	24,012
Deshmukh	93	16,182
Others	5	870
Rejected ballots	6	—

Kerala:

Candidate	Votes	Value
Giri	103	13,081
Reddy	15	1,905
Others	7	889
Rejected ballots	3	—

Mysore:

Candidate	Votes	Value
Reddy	135	14,715
Giri	53	5,777
Deshmukh	17	1,853
Others	3	327
Rejected ballots	6	..

Madhya Pradesh:

Candidate	Votes	Value
Reddy	112	12,208
Giri	103	11,227
Deshmukh	54	5,886
Others	4	436
Rejected ballots	4	..

Parliament:

The following are the details of M.P.s' votes in the first count:

Candidate	Votes	Value
Giri	359	206,784
Reddy	268	154,368
Deshmukh	101	58,176
Others	6	3,456
Rejected ballots	9	—

Final Tally:

The final tally, after second preference votes were taken into account, was as follows:

Mr. Giri	420,077
Mr. Reddy	405,427

Five of the 15 candidates who contested the Presidential election failed to secure any vote.

According to details of the results, seven of the remaining candidates polled between 94 and 5,814 votes.

Those who got none were Mr. Bhagmal, Mr. K. K. Chatterjee, Mr. Santosh Singh Kachhwaha, Dr. R. T. Chakor and Mr. R. P. Vyas.

Actual voting in favour of

Voting unit	Total value of votes	Mr. Reddy 1st Pref.	Mr. Giri 1st Pref.
Parliament:	432,076	154,368	206,784
State Assemblies:			
Andhra	35,750	14,750	16,375
Assam	10,434	5,358	4,512
Bihar	46,428	16,206	24,090
Gujarat	20,664	12,546	1,476
Haryana	7,386	3,008	3,478

First Preference Votes:

The figures in the last three columns indicate the ballots cast for each candidate and the total value of the votes polled. This table refers only to the first preference votes.

Party position

States	Voters	Cong.	Non-Cong.	Votes cast	Invalid	Giri	Reddy	Deshmukh
Andhra	286	210	84	281	9	(131) 16,375	(118) 14,750	(18) 2,250
Assam	116	70	45	112	6	(48) 4,512	(57) 5,358	(1) 94
Bihar	318	115	203	317	4	(165) 24,090	(111) 16,206	(36) 3,256
Gujarat	168	100	68	168	1	(12) 1,476	(102) 12,546	(31) 6,273
Haryana	81	42	36	78	—	(37) 3,478	(32) 3,008	(8) 752
J & K	72	61	10	70	2	(58) 3,422	(8) 472	(2) 118
Maharashtra	270	204	65	268	2	(50) 7,300	(201) 79,346	(12) 1,752
Nagaland	52	—	52	50	7	(38) 226	(4) 28	(—) —
Orissa	139	31	108	133	5	(67) 8,375	(15) 1,875	(46) 5,750
Punjab	104	33	71	101	3	(80) 8,560	(10) 1,070	(7) 749
Rajasthan	182	111	71	180	6	(35) 3,850	(98) 10,780	(41) 4,510
Tamil Nadu	232	49	184	230	6	(142) 20,448	(54) 7,776	(22) 8,168
UP	425	216	209	423	6	(181) 31,494	(136) 24,012	(93) 16,182
West Bengal	280	55	224	274	1	(248) 31,000	(25) 3125	(—) —
Kerala	132	8	122	128	3	(103) 13,081	(15) 1,905	(—) —
Madhya Pradesh	294	173	118	277	4	(103) 11,227	(112) 12,208	(54) 5,886
Mysore	215	134	80	214	6	(53) 5,777	(135) 14,715	(17) 1,853
Parliament	747	432	319	743	9	(359) 206,784	(268) 154,368	(101) 58,176

Jammu & Kashmir	4,248	472	3,422
Kerala	16,764	1,905	13,081
Maharashtra	39,274	29,346	7,300
Madhya Pradesh	31,937	12,208	11,227
Mysore	23,215	14,715	5,777
Nagaland	364	28	266
Orissa	17,375	1,875	8,375
Punjab	11,128	1,070	8,560
Rajasthan	20,020	10,780	3,850
Tamil Nadu	33,452	7,776	20,448
Uttar Pradesh	73,950	24,012	31,494
West Bengal	34,875	3,125	31,000
Total	859,340	313,548	401,515

Second Preference Votes:

It was the large chunk of 8,178 second preference votes from Uttar Pradesh that set Mr. Giri on the road to victory.

In the initial count too, it was UP that turned the tide in favour of Mr. Giri after he heavily trailed behind the Congress candidate, Mr. Sanjiva Reddy, in the States.

Mr. Reddy nearly wiped out his colossal first count deficit of 81,967 votes with the aid of 52,992 second preference votes he secured from Opposition Members of Parliament. In some of the States too—Bihar, Madhya Pradesh, UP—Mr. Reddy got sizable second preference votes, but not enough to wipe out the deficit and set him ahead of Mr. Giri.

The following is the break-down of transfer of votes from Mr. C. D. Deshmukh to Mr. Giri and Mr. Reddy, the transfer from other candidates being insignificant:

From Mr. Deshmukh to Mr. Giri:

Constituency	Ballots	Value
Parliament	7	4,032
Andhra	6	750
Assam	—	
Bihar	2	292
Gujarat	9	1,107
Haryana	—	—
Jammu and Kashmir	—	
Kerala	—	—
Madhya Pradesh	5	545
Maharashtra	5	730
Mysore	4	436
Nagaland	—	—
Orissa	7	875
West Bengal	—	—
Punjab	—	—
Rajasthan	7	770
Tamil Nadu	4	576
Uttar Pradesh	47	8,178
Transfer from another candidate	1	146
Total	104	18,437

From Mr. Deshmukh to Mr. Reddy:

Constituency	Ballots	Value
Parliament	92	52,992
Andhra	11	1,375
Assam	1	94
Bihar	33	4,818
Gujarat	37	4,551
Haryana	8	752
Jammu & Kashmir	2	118
Kerala	Nil	Nil
Madhya Pradesh	48	5,232
Maharashtra	6	876
Mysore	13	1,417
Nagaland	Nil	Nil
Orissa	39	4,875
Punjab	7	749
Rajasthan	34	3,740
Tamil Nadu	16	2,304
Uttar Pradesh	44	7,656
West Bengal	Nil	Nil
Total	391	91,549

Invalid Votes:

Votes cast by nine MPs and 71 MLAs were not found in order and rejected by the Returning Officer.

The value of the invalid votes was 13,149.

While there was not a single invalid vote in the Haryana Legislature, the largest number of invalid votes—nine—came from Andhra Pradesh.

Nagaland came second in invalid votes with a total of seven, closely followed by five States—Assam, Rajasthan, Tamil Nadu, UP and Mysore each with six.

While Orissa had five invalid votes, Madhya Pradesh and Bihar had four each. West Bengal and Gujarat had the lowest number of invalid votes—one each.

Andhra Pradesh lost the maximum value of votes—1,125—closely followed by UP with a total of 1,044.

In the 1967 Presidential election 42 ballot papers, including those of MPs, were found invalid.

Messages:

Mr. Giri is the oldest person to be elected to the nation's highest office. He is 75.

The first President, Dr. Rajendra Prasad, was 66 at the time of his election, Dr. S. Radhakrishnan 74 and Dr. Zakir Husain 70.

Mr. V. V. Giri said in a statement after his election victory was announced: "I am indeed grateful to the electorate consisting of the representatives of the people for choosing me to the highest office in the land. In all humility, I consider this as not my victory but the success of the democratic traditions for which we have laid a secure base.

"It will be my earnest endeavour to do my humble bit to the cause of our people. I deem this position as yet another opportunity of service to my fellow-countrymen.

"It will be my duty to preserve, protect and defend the Constitution and in this I am sure the goodwill, support and co-operation of all sections of the population will be available to me in full measure."

The Prime Minister, Mrs. Indira Gandhi, sent a message of felicitations to Mr. Giri on his election.

It said: "I have been trying for the last one hour or so to speak to you on the telephone but your line has been understandably busy tonight.

"May I offer my warmest felicitations on your election to the highest office in the land. I assure you both on my personal behalf and also on behalf of the Government of our cooperation and support at all times. With good wishes."

Drama Of Result:

Even before the result was announced, it became clear that the Congress Party lay deeply divided and faced the prospect of a split.

Mr. Giri's dramatic entry into the field as an Independent candidate—immediately after the Congress Parliamentary Board had nominated Mr. Sanjiva Reddy despite Mrs. Gandhi's objections in Bangalore on July 12 (and announced on July 13), took the party into the throes of the biggest crisis it had faced in independent India.

The point of no return was reached when Mrs. Gandhi came out in favour of Mr. Giri by demanding the right of a free vote. Her equivocation over supporting Mr. Sanjiva Reddy and her strategy in utilizing two of her Cabinet Ministers—Mr. Jagjivan Ram and Mr. Fakhruddin Ali Ahmed—to pave the way for her repudiation of the party's candidate were climactic moments for the Congress.

Mr. Giri's election was thus Mrs Gandhi's victory in her battle with her critics in the party.

The cross-voting in the Congress —40 per cent at the Centre and 20 per cent in the States—coupled with the second preference votes of the P-SP and BKD defectors decisively swung the balance in favour of Mr. Giri.

Candidates In Field:

Twenty-four candidates had entered the Presidential contest. This was the largest number of contestants so far for the highest office in the Indian Union.

The scrutiny of nominations took place on July 26 and the last date for withdrawal of candidature was July 29. Fifteen candidates were left in the field. Polling took place on August 16.

The main contenders were Mr N. Sanjiva Reddy, the official Congress candidate; Mr. V. V. Giri, (Independent) supported mainly by the Communists, SSP, Muslim League and DMK and most of the constituent units of the United Front Governments in West Bengal and Kerala; Mr. C. D. Deshmukh, whose main sponsors were the Swatantra Party, Jana Sangh and Bharatiya Kranti Dal.

Altogether 44 nominations, including nine for Mr. Reddy, and six each for Mr. V. V. Giri and Dr. C. D. Deshmukh were filed. Of the 24 candidates who filed their nominations, 11 filed on the last day.

The 1967 Presidential election in which the late Dr. Zakir Husain defeated Mr. K. Subba Rao was contested by 17 candidates. Nine of them had not received a single vote and six had secured votes ranging between 125 and 1,300.

Mr. Giri Assumes Office:

Mr. V. V. Giri took office as President of India on August 24.

The oath of office was administered by the acting Chief Justice, Mr. J. C. Shah, and a 31-gun salute boomed in salute to signal the installation of the new President.

In his address on the occasion, Mr. Giri spoke of his election as a victory of the people.

While his predecessors had been "men of intellectual eminence and erudition", he said, he had spent a major part of his life in the working class movement and "by instinct and training, I am first and foremost a servant of the people."

He spoke of India as being the world's largest democracy and reminded his audience of the constant threats to it. "Democracy can save itself only by a process of constant and continuous renewal."

He added: "A deep concern for national welfare alone can make our democracy meaningful and lasting."

Calling upon the people to remove "the glaring inequalities between man and man," he said: "While the Constitution and the laws ensure an ordered society, it is only our hard work and disciplined conduct that will enable us to achieve the social objectives and economic goals that we have set before us."

Mr. N. Sanjiva Reddy's Selection As Congress Candidate:

The Congress Central Parliamentary Board decided in Bangalore on July 12, by four votes to two, to nominate Mr. Sanjiva Reddy, Speaker of the Lok Sabha, as the party's candidate for the office of President.

A formal announcement of the Board's decision was withheld because of Mrs. Indira Gandhi's opposition to Mr. Reddy's candidature. Obviously not reconciled with the Board's verdict, she was understood to have warned the Board that it might have to face serious consequences if it did not revise its decision.

Mrs. Gandhi had formally proposed the name of Mr. Jagjivan Ram for President. But it was not acceptable to the majority in the Board. The only other member to support Mr. Jagjivan Ram was Mr. Fakhruddin Ali Ahmed. Mr. Jagjivan Ram himself did not participate in the voting.

Mrs. Gandhi had earlier shown her preference for the Acting President, Mr. V. V. Giri, but his name did not figure during the discussions. She had obviously given up the idea of sponsoring his name after consulting her close associates.

The Congress President, Mr. S. Nijalingappa, remarked that Mr. Reddy was the best candidate among the various names that had been mentioned.

On July 13, Mr. Nijalingappa announced that the Central Parliamentary Board had decided to set up Mr. Sanjiva Reddy, Speaker of the Lok Sabha, as the party's candidate for the Presidentship.

Mr. V. V. Giri Enters Field:

Within hours of the official announcement of Mr. Sanjiva Reddy's candidature for Presidentship by the Congress President, Mr. S. Nijalingappa, on July 13, the 74-year-old Acting President, Mr. V. V. Giri, declared that he would oppose him.

In a 1,000-word statement, issued in New Delhi on July 13, Mr. Giri regretted the decision of the Congress Parliamentary Board and announced that he would contest for the highest office as an Independent.

While he did not wish to question the motives of the Congress Parliamentary Board in nominating Mr. Reddy, Mr. Giri said the members of the Board "have neither done justice to the country nor have they been fair to the organization to which they belong."

Mr. Giri's unexpected decision took both Congress and Opposition circles by surprise.

Mr. Giri & Mr. Reddy Resign Their Posts:

Both the contending Presidential candidates—the Acting President, Mr. V. V. Giri, and the Speaker of the Lok Sabha, Mr. N. Sanjiva Reddy—tendered the resignation of their offices on July 19.

Mr. Giri's resignation letter, addressed to the President of India, stated: "I, V. V. Giri, hereby resign my office as Vice-President of India with effect from the forenoon of July 20, 1969."

Mr. Sanjiva Reddy's one-line letter of resignation was handed over to the Deputy Speaker of the Lok Sabha, Mr. R. K. Khadilkar, on July 19.

The Chief Justice of India, Mr. M. Hidayatullah, was sworn-in on July 20 as Acting President to discharge the functions of the President. The acting Chief Justice, Mr. J. C. Shah, administered the oath of office to Mr. Hidayatullah.

Process Of Election:

The President is elected by an electoral college consisting of the elected members of both Houses of Parliament and the elected members of the States' Legislative Assemblies.

According to the Constitution, "as far as practicable, there shall be uniformity in the scale of representation of the different States at the election of the President."

To ensure such uniformity among the States as well as parity between the States as a whole and the Union, the number of votes which each elected Member of Parliament and the Legislative Assembly of each State is entitled to cast is determined in the following manner:

Every elected member of an Assembly has as many votes as there are multiples of 1,000 in the quotient obtained by dividing the population of the State by the total number of the elected members of the Assembly.

Each elected member of the Lok Sabha and the Rajya Sabha has as many votes as may be obtained by dividing the total number of votes assigned to the members of the Legislative Assemblies of the State by the total number of the elected members of both Houses of Parliament.

The value of each MLA's vote is as follows:

State	No. of MLAs	Value of votes
Andhra Pradesh	287	125
Assam	126	94
Bihar	318	146
Gujarat	168	123
Haryana	81	94
Jammu & Kashmir	75	59
Kerala	133	127
Madhya Pradesh	296	109
Maharashtra	270	146
Mysore	216	109
Nagaland	46	7
Orissa	140	125
Punjab	104	107
Rajasthan	184	110
Tamil Nadu	234	144
Uttar Pradesh	425	174
West Bengal	280	125

There were, incidentally, 26 vacant seats in the State Assemblies (Andhra Pradesh 1, Assam 10, Haryana 1, Jammu and Kashmir 3, Kerala 1, Madhya Pradesh 2, Maharashtra 1, Mysore 2, Orissa 1, Rajasthan 2, Tamil Nadu 1, and West Bengal 1.)

Although Bihar is under President's Rule, the State Assembly had not been dissolved; it was only suspended. Bihar MLAs were, therefore, entitled to vote.

For the present Presidential election the total value of all the votes assigned to the MLAs of the 17 States came to 430,847.

The total value of votes for Parliament (Lok Sabha and Rajya Sabha) was 430,848.

In order to ensure parity between the States as a whole and the Union of India, this number was divided equally among the 748 elected MPs (520 in the Lok Sabha and 228 in the Rajya Sabha). This came to 576, which was the value of every MP's vote.

Under the Constitution, the election of the President must be held in accordance with the system of proportional representation by means of the single transferable vote. The ballot is secret.

It is interesting to note that the *Presidential and Vice-Presidential Elections Act contains no provision similar to Sections 34 and 158 of the* Representation of the People Act, 1951, requiring security deposits from candidates and providing for their forfeiture in the event of the candidates failing to secure a minimum number of votes.

[For the powers and functions of the President, **please see** Articles 53, 60, 71, 74, 77, 86 and 111 of the Constitution of India].

(**The Hindu**, Madras, **The Statesman**, Calcutta, **The Times of India**, Bombay and **The Hindustan Times**, New Delhi)

[Prev. ref. 7707:INI:A, 9110:INI:A]

B. Independence Day: August 15 was celebrated as the 22nd anniversary of Independence throughout the country, when parades and functions were held to mark the occasion.

The highlight of the celebrations was the unfurling of the National Flag from the ramparts of the historic Red Fort in New Delhi by the Prime Minister, Mrs. Indira Gandhi, who assured the people in an address that she was with them. "Whatever I do and wherever I am, my only aim will be to serve the common people."

The theme of her entire half-hour address was, in fact, the people. She recalled the past pledges of the party and said that even though many steps had been taken to improve the lot of the common man, much more remained to be done.

In this context, she referred to bank nationalization and said it marked an important step forward in the march towards socialism. She was happy to note it had been well received by the people.

Contrary to expectations, she did not announce any new economic measures or even reveal what she had in mind. On the other hand, she told a rally of Harijans from Haryana later that "the Government would not be hasty in taking further radical reforms." It would for the present concentrate its energies on successful implementation of bank nationalization.

She said that the goal of democratic socialism was chosen long ago on the banks of the River Ravi, and re-affirmed later at the Congress sessions in Lucknow, Avadi and Bhuvaneshwar. Many important steps had been taken to reach the goal and yet many more had to be taken.

In a direct reference to industrialists and capitalists, she urged them to realise that bank nationalization was not directed against them or to harm their interests. They should *realise that what was in the interest of the vast majority was also in their interest.*

She strongly refuted the charge that bank nationalization had been done at the instance of any foreign Power. "To say that is to insult the whole nation. I know the people of India love peace and democracy and they will not allow anything to endanger them." Whatever its policies and programmes might be, they were born out of the country's own history, culture and genius."

The same evening, the Acting President, Mr. M. Hidayatullah, held a reception at Rashtrapati Bhavan which was attended by distinguished people from all walks of life.

(**The Times of India**, New Delhi)

[Prev. ref. 8493:INI:A]

C. Moratorium On Bank Of Behar: The Government of India declared moratorium on the Bank of Behar Ltd., a leading bank of the State, for a period of three months, on August 9.

The Order of Moratorium was issued under Section 45(2) of the Banking Regulation Act 1949 and would remain effective till November 9.

The order was served on the Bank through the local branch of the Reserve Bank of India.

Under the moratorium, no depositor can draw more than ten per cent up to a maximum of Rs. 250 of his deposits.

The moratorium was considered a prelude to the take-over of the bank.

(**Indian Nation**, Patna)

D. Farakka Barrage Dispute With Pakistan: A joint communique issued in New Delhi on July 26 at the end of 12-day talks between representatives of India and Pakistan stated that the two countries would hold another Secretary-level meeting in Islamabad in about four months to complete consideration of technical issues and take up substantive aspects of the Farakka Barrage.

The **communique** said that considerable ground had been covered regarding technical issues during the talks. The leader of the Pakistan delegation, Mr. A.G.N. Kazi, emphasized that both sides should now take up the substantive issues as all the technical information sought by India had been supplied.

He commended four proposals for the settlement of Farakka dispute. They were:

(a) Guarantees to Pakistan of fixed minimum deliveries of Ganges waters on a monthly basis at an agreed point;

(b) Construction and maintenance of such works, if any, as may be necessary in India in connexion with the construction of the Ganges Barrage in Pakistan;

(c) Setting up of a permanent Ganges Commission, to implement the agreement; and

(d) Machinery and procedures for settlement of differences and disputes consistent with the international usage.

(**Pakistan High Commission**, New Delhi)

[Prev. ref. 8728:INI:F]

E. Trade Agreement With Afghanistan: India and Afghanistan signed in New Delhi on August 16 a Trade Agreement for 1969-70.

Under the Agreement, India will import from Afghanistan specified quantities of fresh and dry fruits besides asafoetida, cummin seeds and medicinal herbs. The imports will be paid for by the importers in India by counter-exports of certain specified goods in accordance with procedures agreed between the two countries in July, 1968.

During 1968-69, India exported goods worth Rs. 9.68 crores to Afghanistan against Rs. 6.95 crores during 1967-68.

(**Kabul Radio** and **The Hindustan Times**, New Delhi)

[Prev. ref. 9038:AFG:A]

F. **Swiss Envoy:** It was officially announced in New Delhi on August 14 that Mr. August Lindt had been nominated as the next Ambassador of Switzerland.

Mr. Lindt was his country's Ambassador to USA from 1960 to 1962. He had been serving as the Swiss Ambassador to USSR with concurrent accreditation to the Mongolian People's Republic since 1966.

(**The Times of India**, New Delhi)

[Prev. ref. 6271:INI:K]

G. **Mr. G. S. Dhillon Elected Speaker Of Lok Sabha:** In New Delhi on August 8, Mr. G. S. Dhillon was unanimously elected Speaker of the Lok Sabha.

The Minister for Parliamentary Affairs, Mr. K. Raghuramaiah, proposed his name and the Deputy Speaker, Mr. R. K. Khadilkar, put the motion to the vote. It was carried unanimously amidst resounding cheers.

(**The Statesman**, New Delhi)

[Prev. ref. 7625:INI:A]

H. **West Bengal Policemen Break Into State Assembly Hall:** About 500 policemen of West Bengal made a forcible entry into the State Assembly hall in Calcutta on July 31 as a protest against what they called the United Front Government's "failure to give them protection in the performance of their duties."

The policemen had come in a procession with the body of a police constable who was killed in a clash with some people reported to be supporters of the SUC, a constituent of the UF, at Bharatgarh village in 24-Parganas District on July 29. Starting with 2,000 policemen, they first clashed with the Superintendent of Police of Alipur District headquarters, whom they severely assaulted on his refusal to join the procession. The procession originally headed for the Secretariat, but it suddenly turned its course and marched towards the Assembly, brushed aside policemen on duty and entered the building before the gates could be closed. Some of them entered into the Assembly chamber where they smashed furniture, broke microphones, destroyed papers and shouted slogans against the State Government, especially against the Deputy Chief Minister and Home Minister, Mr. Jyoti Basu. Six of the members of the Assembly and a Minister, Mr. Bishwanath Mukherjee were assaulted. The Speaker got out of his room through a window before the policemen could enter his chamber. When about 50 policemen entered his room, Mr. Basu told them that they were wholly mistaken if they thought the police could do anything if they had the rifles. He admonished them severely for their behaviour. The policemen ultimately left the building after having stayed there for over an hour.

The incident was discussed in the House when it re-assembled. Mr. Jyoti Basu said that it was due to a "conspiracy behind it." Mr. Siddharatha Shankar Roy, leader of the Congress Party, denying knowledge of any conspiracy said that there could be no question of any party supporting such a rampage. The next day, on August 1, he said in the Assembly that the West Bengal police were riven with groups and **cliques** which were pitted against each other, resulting in the incident. The Cabinet held an urgent meeting on July 31, and decided to take stern measures against the guilty policemen.

The Chief Minister, Mr. Ajoy Mukherjee in a broadcast the same evening condemned "this wild attitude of policemen at the instigation of some conspirators" and exhorted policemen to devote themselves to the service of the people. He appealed to the people of West Bengal to remain vigilant about such a conspiracy.

The State Government sent a detailed report of the incident to the Central Government and alerted the Army on August 1 as a precautionary measure. The guarding of police armouries at five important places was entrusted by the State Government to Eastern Frontier Rifles—a para-military force known for its loyalty and discipline. Mr. Basu presided over a meeting of the District Magistrates on August 2 and asked them to be vigilant about the growing incidents of violence in the State. By that time 13 policemen had been summarily dismissed and evidence was being collected against 27 others including a few gazetted officers.

The West Bengal Government announced on August 4 the appointment of a one-man committee under Mr. Ranjit Gupta, adviser to the Chief Minister, to enquire into the circumstances of the attack by policemen on the Assembly and the Superintendent of Police, Alipur. A Government spokesman said that the purpose of the enquiry was to determine whether any action could reasonably have been taken for preventing the incident. If so, persons responsible for failure to take action must be pin-pointed.

The Rajya Sabha discussed the matter in New Delhi on August 5. A demand was made by some members for a judicial enquiry or a probe by a Parliamentary Committee. Mr. V. C. Shukla, Minister of State for Home Affairs, winding up the debate, expressed the hope that "the lesson will not be lost on the UF Government and others that the use of police for party ends often boomerangs."

(**The Statesman**, Calcutta and **The Times of India**, New Delhi)

[Prev. ref. 9080:INI:C]

I. **"Deo Tibba" Peak Climbed:** All the 24 members of an Italian expedition, which included nine women, climbed the 6,000-metre **Deo Tibba** peak in the Manali region of Himachal Pradesh on August 15.

The members of the expedition reached the summit in batches, despite rain and mist. Two members of the party and a sherpa were stranded in heavy rain and mist on their way to the summit. They were, however, rescued after six hours by two sherpas.

The leader of the party and a member also succeeded in climbing another unnamed peak in the same region.

(**The Times of India**, New Delhi)

[Prev. ref. 9029:INI:L]

SINGAPORE

A. **Increase In Freight Rates:** Shipping lines operating freight services from Singapore and Malaysia to ports in India, Pakistan, Burma, the Persian Gulf and Ceylon announced on August 1 a 7.5 per cent increase in their freight rates.

The shipping lines involved were those operating the Straits-Burma-Karachi-Persian Gulf Conference, the Straits-Calcutta-East Pakistan Conference, the Straits-Rangoon Rate Agreement and the Straits-Colombo Rate Agreement.

The new rates were to be effective from November 1 in the case of the Straits-Colombo Agreement and October 1 for other Agreements.

The rates were to apply to most types of freight, but there might be some exceptions yet to be announced.

The announcement said that the increase had been necessitated by the continuous rise in operating costs.

(**The Straits Times**, Singapore)

B. **Mr. Lim Chin Siong To Be Released:** Official sources in Singapore indicated on July 23 that the Secretary-General of the Barisan Socialists, Mr. Lim Chin Siong, would be released soon when he would leave the country, possibly to study in Britain.

At his request Mr. Lim met the Prime Minister, Mr. Lee Kuan Yew, on July 22 and his plans for overseas study were discussed.

In a letter to Mr. Lee Kuan Yew made public on July 22, Mr. Lim said he now disagreed with Barisan policies and its extra-parliamentary struggle which included the use of violence to achieve its objectives. He had decided to resign from *all his* posts in the party.

He considered Singapore's independence as genuine and wholeheartedly supported it.

He said he had completely lost confidence in the international communist movement. "The Soviet Union, which has experienced nearly five decades of revolution, now takes to the road of restoring capitalism and has become an arch enemy of the Chinese Communist Party."

[Mr. Lim (35) was jailed in February, 1963 after going to prison twice before when the British still controlled Singapore. He was a founder-member of the ruling People's Action Party, but broke away with a group of dissident members to form the Barisan Socialists to oppose Singapore's merger with Malaysia.]

(**The Hindu**, Madras and **The Times**, London)

[Prev. ref. 5538:MAL:A]

TURKEY

A. **Remains Of Noah's Ark Found:** Pieces of wood dating back about 4,000 years and believed to be the remains of Noah's Ark were found by a US archaeological expedition in a glacier on Mount Ararat on July 31 and August 2.

The 17,000-foot mountain is a top secret military area adjacent to the Soviet frontier.

Mr. R. E. Crawford, President of the Scientific Exploration and Archaeological Research Foundation, told newsmen that this was the first announcement of the find.

Mr. Harry Crawford, who led a six-man field team, said the pieces were found at an altitude of 14,000 feet, on the north-west slope of the mountain. The discovery was made in a glacier, at a depth of more than 20 metres. Mr. Fernand Navarra of Bordeaux (France) said he had been four times to the spot of the recent finding where he had discovered hand-hewn timber in 1945. An analysis of a 1½-metre piece of the timber at the time indicated that it was approximately 4,000 years old.

The recent discovery was presumed to be as ancient. The wood was being examined by research centres in Turkey, France and USA.

(**The Times**, London and **The New York Times**)

[Prev. ref. 4824:TUR:C]

VIET-NAM (RVN)

A. **Parliament Resolution On President Thieu's Peace Proposals:** The House of Representatives on July 23 unanimously urged President Nguyen Van Thieu to make no more concessions at the Paris peace talks, and called on the Government not to submit to "foreign" pressure.

This stand was taken in a resolution approved at a special session to examine the President's July 11 proposals that the National Liberation Front (Viet-Cong) should take part in "free" elections to be held in South Viet-Nam (see page 9100).

The resolution made the following points:

"The Executive must capitalize on its peace initiatives while reassuring public opinion at home, and must also re-state South Viet-Nam's position on the peace issue; President Thieu must abstain from making any new concession; political figures who claim that the National Liberation Front is not communist should not be included prematurely in the Cabinet, which is due to be reshuffled soon."

The House gave a promise to refuse from now on to "bow in silence to pressure dictated by a foreign country."

Gen. Cao Ky's Allegation:

Earlier, on July 15, the Vice-President, Gen. Nguyen Cao Ky, accused the American "doves" of selling his country to the communists.

Speaking to officer cadets of the National Defence College in Saigon, he said: "I do not accept the views of a number of American politicians who, to keep their power, want to sell our country to the communists at a very cheap price. Their money does not make me or my people bow our heads before them.

"I am not worried whether the Americans leave (Viet-Nam) or stay," he added. "We must fight by ourselves." He accused the United States of taking too long to train South Viet-Namese forces. He saw no point in carrying on with the Paris peace talks "for ever." As the communists had rejected all Saigon's peace initiatives so far, "there is nothing left but to carry on fighting."

[The Vice-President was appointed special adviser to the Saigon delegation in Paris when the talks resumed there in January. However, he had not been in the French capital since April 12, and had said he would not go back until there was some sign that the North Viet-Namese and Viet-Cong wanted more substantive and serious discussions.]

Re-unification Proposed:

On July 18, the Saigon Government proposed the re-unification of North and South Viet-Nam through General Elections under international supervision.

The proposal was made in a statement marking the 15th anniversary of the signing on July 20, 1954 of the Geneva Agreements which ended the Indo-China war.

The statement added: "The Republic of Viet-Nam Government calls on the North Viet-Namese authorities to end their aggression against South Viet-Nam and to concentrate all efforts in the competition to rebuild the country and to heal all the sorrows of war so that both the North and South Viet-Namese people can live in peace."

Some political observers dismissed the challenge as a diplomatic rebuff to a North Viet-Namese statement saying that USA had prevented the holding of General Elections in 1956 to re-unify Viet-Nam.

Other observers considered the statement a significant new development, even though it was bound to be spurned by North Viet-Nam. It was issued on the eve of a news conference by President Thieu to clarify his challenge to the National Liberation Front to take part in internationally supervised elections to decide South Viet-Nam's future.

(**The New York Times** and **The Times**, London)

[Prev. ref. 9100:RVN:A]

ASIA OUTSIDE ASIA

A. World Communist Conference: Representatives of 75 Communist Parties met in conference in Moscow from June 5 to 17 at the invitation of the Soviet Party.

Among the principal communist parties which did not send delegates to the conference were those of China, North Viet-Nam, North Korea and Japan. Participants included a delegation from East Pakistan.

[It was the third conference of its kind. The first conference in 1957 was called on the joint initiative of Moscow and Peking. It was designed to re-establish unity of the world Communist movement, badly shaken by the Khruschev report to the 20th Congress of the Soviet Party. The second in 1960, with 81 parties attending, failed to heal the differences between the Soviet Union and China.]

The deliberations of the Conference were not open to the Press.

At the opening session, the First Secretary of the Soviet Party, Mr. Leonid Brezhnev, hoped the Conference would represent "an important step on the path to the mobilization of all liberating and progressive revolutionary forces for the struggle against imperialism." It would also make a "great contribution to the work and cohesion of the international communist movement on the basis of Marxism-Leninism and proletarian internationalism."

A highlight of the early stages of the Conference was the Rumanian protest against critical references to China by some delegations.

On June 7, ignoring Rumanian objections, Mr. Brezhnev, in the course of a long speech, made a bitter attack on China. He said: "We are strong enough to counter any threat of war, including the threat of nuclear war brandished at us by the **People's Daily** two days ago. The nationalist policies of Mao Tse-tung and his group have endangered the socialist victories won in People's China."

He said the Chinese Communist Party had "replied with insults" to the invitation he had sent to it to take part in the World Conference of communist parties and accused it of preparing for war. He added: "And it can be clearly seen what kind of war it has in mind."

The most significant part of his speech was his mention of a system of collective security for Asia. However, beyond a bare mention of the idea, he did not go into details.

The proposal aroused considerable interest in diplomatic circles. Many viewed it as a move directed against China.

Another frontal attack on China came from the Mongolian leader, Mr. Y. Tsedenbal.

The Chairman of the Indian Communist Party, Mr. S. A. Dange, invited the Conference to help in the process of unifying the Leftist forces in his country. He said that efforts towards re-unification of the Communist movement had achieved limited success so far.

He described as a good beginning the recent dialogue between his party and Marxists in Calcutta and said: "We will do everything to carry forward this development."

The Conference ended on June 17, with 70 of the 75 parties signing the main document setting out a "programme of joint action against imperialism."

The Dominican party declined to sign the document. Britain and Norway wanted to consult their Central Committees before signing. Cuba and Sweden with only observer status at the Conference did not sign. Of the 70 parties which signed, Australia, Italy, San Marino and Reunion Island parties signed the document with the reservation that they accepted only the chapter on anti-imperialist action. The Italian, Australian and San Marino delegations appended statements to the main document saying they could approve only of the third section which deals with the tasks of the "anti-imperialist struggle."

They rejected the analysis of the international situation, a prescription for relations between parties and a section on relations with non-communist forces.

The Rumanian, Swiss and Spanish delegations signed with reservations, which were also issued with the document itself.

Main Document:

The document released steered clear of the controversy over the Sino-Soviet dispute and invasion of Czechoslovakia. The only reference to the dissidents was an emphasis on the need for struggle against all deviations from Marxism-Leninism.

It called for the restoration of the "lawful right of the People's Republic of China in UN and the return of Taiwan at present under American military occupation."

It contained two direct references to India. In the first it accused "imperialists" of persisting in their attempt to pressurize India to abandon the path of non-alignment and independent economic development. The other was a reference to United Front Governments in some States with Communist participation which was mentioned among other developments in various parts of the world to illustrate the claims of rapid strides being made by democratic movements.

Without mentioning any one by name, another passage, relating to deviationist tendencies, said: "Each Communist Party's national and international responsibilities are indivisible. Marxists-Leninists are both patriots and internationalists; they reject both national narrow-mindedness and negation or under-estimation of national interests and striving for hegemony."

The document appealed to the people:

"To demand an end to the US aggression in Viet-Nam, to demand independence, freedom and peace for Viet-Nam;

"To ensure elimination of the consequences of the Israeli aggression in West Asia on the basis of the UN Security Council resolution;

"To fight for the complete liquidation of colonialism and neo-colonialism, for the achievement of independence by all oppressed peoples, for the extirpation of racialism, for the abolition of corrupt **regimes** acting as henchmen of foreign monopolies."

The Conference called for multiplication of effort in the struggle for the complete implementation of the principles of peaceful co-existence of States irrespective of their social systems, for the relaxation of international tension, for the settlement of unsolved international issues through talks, against encroachments of imperialists on the independence and sovereignty of the peoples, for their right to determine their future and their destiny themselves, and for the development of broad equitable co-operation between countries.

It said: "Let us launch a struggle for the creation of an effective system of collective security in Europe and for the liquidation of the world's cleavage into military groups, for the establishment of an atmosphere of co-operation and mutual understanding among the peoples. The way to this would be paved by a pan-European conference of States."

World peace, it said, could not depend on the "equilibrium of fears." Lasting peace was unthinkable without an end to the arms race. "It is necessary to seek the ban of nuclear weapons and the destruction of their stockpiles, general and complete disarmament.

"We, Communist, irrespective of trials, have persevered in boundless loyalty to Lenin's ideals of international peace and friendship. The unity of all the progressive peace-loving forces is the call of our time. United solidly, we shall ensure the victory of the sacred cause of world peace."

The appeal gave a broad analysis of the world situation. It said: "It is imperialism, above all American imperialism, that steps up the arms race, aggravates the international tension, fans conflicts and local wars in different parts of the world." The struggle for peace "merges with the struggle for the freedom of the peoples, for progress and democracy, for riddance from foreign oppression."

It said: "The consistent peace-loving policy of the first State of socialism—the Soviet Union—and of other socialist nations, the mounting struggle of the working people in the capitalist countries, the growth of *the national liberation movement, actions of broad sections of the world democratic public and peace champions have ended with the fatal inevitability of a new world war and have created a concrete opportunity for implementing the people's aspirations for peace."*

The Conference did not adopt any formal resolution or statement denouncing China.

(**The Times,** London, **The Times of India** and **Patriot,** New Delhi and **Tass**)

[Prev. ref. 8387:CHI:B]

B. **French Franc Devalued:** The French Government on August 8 devalued the franc by 12.5 per cent.

It was the first devaluation of the franc since December, 1958.

The Economics Minister, Mr. Valery Giscard d'Estaing, announced that the devaluation would take effect from August 11.

The surprise decision was taken at an emergency Cabinet meeting called by President Georges Pompidou, less than nine months after the former President, Mr. Charles de Gaulle had vetoed a similar measure in November, 1968.

Mr. Pompidou told the Cabinet that it was "common sense" to bring the French franc into line with the rate to which it had already dropped in foreign trade transactions. "Devaluation is only a starting basis for our financial recovery. I expect vigorous action by Ministers in the monetary, budgetary and financial sectors."

A **communique** issued at the end of the Cabinet meeting said the Government had agreed in principle that the parity of the franc would be changed to the basis of one franc to 0.16 gms of gold. The previous parity was 0.18 gms.

The devaluation of the franc was the eighth since the end of World War II.

On November 2, 1944, the franc was set at 49.625 to the dollar and 200 to the £.

The first change was on December 26, 1945, when the franc was devalued to 119.1067 to the dollar and 480 to the £. This remained the official value until January 26, 1948, when the rate was fixed at 214.39 to the dollar and 864 to the £. Nine months later, on October 18, the franc was further devalued to 263.59 to the dollar and 1,062.29 to the £. The franc held at this rate for another six months until on April 27, 1949, a new rate was set at 272.10 to the dollar and 1,097 to the £.

Devaluation of sterling altered the rate and the next adjustment on September 20, 1949 fixed the franc at 350 to the dollar and 980 to the £. This rate stood for eight years until, on August 11, 1957, Mr. Felix Gaillard, then Finance Minister, announced "operation 20 per cent," which was a form of devaluation without the unpopular word being used. Under the operation, foreign currency received a premium of 20 per cent, and the dollar and £ both rose, the dollar to 420 francs and the £ to 1,176 francs. For certain essential imports the old rate of 350 and 980 stood.

But two months later, on October 26, 1957 Mr. Gaillard completed the operation and it was extended to all commercial operations and a single exchange rate—420 francs to the dollar and 1,176 francs to the £—was fixed.

The last previous devaluation of 17 per cent was on December 29, 1958, when the franc was fixed at 492 to the dollar and 1,382 to the £ only a few months after Gen. de Gaulle came to power.

Price Freeze:

Devaluation of the French franc triggered successively on August 10 a sharp price freeze in France, parallel devaluation by 14 African nations and West Germany's reaffirmation of its decision not to revalue the Mark upwards.

The French price freeze, covering industrial prices and shop-keepers margins and lasting until September 15, gave the Government a breathing space following the devaluation. The freeze aims to avoid price rises which would make French exports dearer and imports cheaper—thus undoing one of the major effects of devaluation.

West Germany stood by its decision, taken in May, 1969, not to revalue the Mark upwards. The Government also stressed it would not allow German farmers to suffer through any Common Market repercussions following the franc's devaluation. Belgium, meanwhile, declared that it was not devaluing its currency.

In Washington, the International Monetary Fund approved the French Government's decision to devalue and said the new value of the French franc at 5.555419 to the US dollar was now effective.

Zambian Copper Mines Nationalized:

The French franc's devaluation was overtaken in the London markets by the nationalization by President K. Kaunda of Zambia's copper mining industry, the third largest in the world.

American and British shareholders own most of it and in the stock market in London $10 million were wiped off the copper shares in hectic trading.

The prevailing opinion was that Mr. Kaunda had acted to meet the pressures building up among the activists in his party and that it might be the beginning of similar actions in other parts of Africa.

Only a modest backlash of the devaluation of the franc was felt in London and European capitals, when stock markets opened on August 11. The £ fell, but confidence in official quarters was enough to check panic. In Zurich and Frankfurt, some demand for the Deutschmark was reported, but the bankers' initial conclusion was that the first day after the devaluation had not shown signs of a crisis. But the future, according to them, still remained uncertain and instability in monetary markets would continue. For the £ sterling, a great deal would depend on the trade figures for July.

The real crisis of the franc's devaluation was in Brussels, where, though the devaluation had been officially welcomed, Common Market partners of France were furious because they were not consulted in advance as provided by the Treaty of Rome.

A greater worry was the effect of the devaluation on the Market's agricultural policy. Under the present method of calculating agricultural subsidies, French farmers would benefit by the percentage of the devaluation at the cost of the farmers of the other members of the EEC. France, the biggest agricultural producer was already the major beneficiary of the Market's agricultural system and the new advantage she gains would make other members pay out more and also depress their agricultural prices. Inner conflicts may thereby be provoked unless the agricultural system was changed. The prospects of British entry would also depend on what was decided.

Indian Reaction:

First official reaction in New Delhi to the devaluation of the French franc was that it would not have any major repercussion on Indo-French trading pattern.

India's trade with France was somewhat limited, as compared to her trade with dollar and sterling areas. Therefore, the effect of the franc devaluation was expected to be only marginal.

As a result of the devaluation, French goods should become cheaper in terms of Indian rupees while India's exports to France would be costlier to her. But items of export from India were not of such a nature as to cause any adverse impact significantly.

India's exports to France were worth about Rs. 15 crores in 1967-68, and approximately Rs. 20 crores in 1968-69. The major export item was leather. Imports from France were about Rs. 35 to Rs. 36 crores in each of the two years.

(Le Monde, Paris, **The Times,** London and **The Statesman,** New Delhi)

[Prev. ref. 8702:AOA:A]

C. "Luna-15" **Launched By USSR:** The Soviet Union launched on July 13 an unmanned spaceship, Luna-15, in an apparent bid to achieve the same objectives as America's **Apollo-XI** mission, but without landing a man on the Moon.

According to **Tass, Luna-15** "would conduct scientific exploration of the Moon and space near the Moon." All instruments aboard the spaceship were working perfectly.

On July 19, **Luna-15** was put into a new orbit that brought it within 16 km of the Moon. The spaceship was described in an orbit ranging from 16 km to 110 km, at an angle of 127 degrees to the plane of the lunar equator. **Tass** said the orbiting period lasted 1 hour and 54 minutes.

Jordell Bank astronomers in UK earlier said it meant the unmanned Soviet probe was either "doing reconnaissance or preparing to land on the Moon." They said **Luna-15** and the American **Apollo-XI** were still far apart as they circled the Moon but the implication was that the Soviet craft was being moved towards a position where it could take a look at what the Americans were doing.

On July 21, the Soviet Union landed **Luna-15** on the Moon's surface, 805 km from where America's **Apollo** astronauts were preparing to take off on their journey back to Earth.

Signals picked up at the giant radio telescope at Jordell Bank in UK indicated that after four days of Moon-orbiting, the unmanned probe had landed on the Moon's Sea of Crises.

The last Soviet Moon-shot was in November, 1968 when the unmanned **Zond-6** circled the Moon and returned to the Earth. Two months earlier its predecessor, **Zond-5,** was the first craft to make a circumlunar flight and return to the Earth. It carried a cargo of live tortoises, wine-flies and meal worms.

The last shot in the Luna series, **Luna-14,** went into orbit around the Moon in April, 1967, but did not return to Earth.

(Tass and **The Times,** London)

[Prev. ref. 8321:AOA:U]

D. **"Zond-7" Space Probe Launched By USSR:** The Soviet Union launched on August 8 an automatic station, Zond-7, to photograph the Moon and test some improved systems incorporated in rocket-space equipment.

[Russia uses the term "automatic station" to describe unmanned space probes. The **Zond** series has been used in the past for deeper space probes beyond the Moon. It has always been unmanned.]

An announcement by **Tass** made it clear that a new equipment was on board this time, but gave no other indication of the purpose of the flight.

Zond-7 was first put in orbit around the Earth and then set on a course towards the Moon. The trip normally takes 3-1/2 days.

On August 11, **Zond-7** was reported to be on its way back to Earth after circling the Moon. It took measurements of the physical characteristics of near-lunar space and photographed the lunar space, but **Tass** did not state which area of the Moon was studied. Nor did it give any indication of the precise object of the study.

After carrying out planned astro-orientation and turns, when the station was about 260,000 km from the Earth, a propulsion unit was switched on to give the craft a required correcting impulse of pre-set value. As a result of this correction manoeuvre, the automatic station was put on a trajectory towards the Moon.

On August 8, **Zond-7** started sending back pictures of parts of the lunar surface. Six days later, on August 14, it made a soft-landing on a pre-set target on Earth.

(Tass)

[Prev. ref. 9107:AOA:A]

E. **Analysis Of Lunar Rocks:** American scientists and geologists on August 6 found black silt and a few Moon chunks splashed with colourful crystals when they opened the second, and last, box of lunar surface material gathered by astronauts Armstrong and Aldrin during their Moon stay.

The box contained small rocks, ranging from gravel to orange-size. They were covered with the same powdery black Moon dust found in the first box, opened more than a week earlier.

One of the geologists observing the box opening, Dr. Jeff Warner, said that white, pink and greyish-brown crystals were scattered over the surfaces of several of the rocks, which appeared to be rather soft.

Some scientists said the crystals indicated the rocks were molten at one time and apparently cooled quickly. Such molten rock could have been caused by volcanic action or the heat generated by meteor impacts.

Reporting on analysis of the gas content of some of the dust, they said they were surprised by the large amount of rare gases, believed to have come from the Sun. They heated Moon dust to 1,600 degrees centigrade, driving off gases they identified as the result of "solar wind." Bombardment by solar wind, composed of atoms flung out from the Sun, could cause the surface layers of Moon rocks to flake off into Moon dust, Radiation damage could explain the dust's grey colour.

There were large amounts of helium, neon and argon in the dust as well as hydrogen, crypton and xenon. The isotopic ratios of the gases showed that they came from the Sun.

Meanwhile, in the biological laboratory in Houston, the colony of mice injected with lunar material showed no ill effects. All 19 human inmates of the quarantine area, including the **Apollo-XI** astronauts, were also in good health.

Three Minerals Identified:

On August 9, however, a Moon rock, different from others and bearing marked resemblance to some Earth rocks, led scientists to believe that the Moon may have had a more complicated and dynamic history than suspected.

After examining the grey, 2-lb rock through a microscope that magnified it 50 times, the Space Agency geologist, Dr. Jeff Warner, said that he could identify three minerals—olivine, pyroxene and feldspar. The main difference between this rock and the others gathered on the lunar surface by **Apollo-XI** astronauts was that it was the only one seen so far with an abundance of olivine—a combination of iron and magnesium.

Dr. Warner said the make-up of the minerals in the lunar rock was such that it seemed to have been formed in several stages rather than in one single process. Some of the olivine seemed to be concentrated in certain areas instead of being spread around. Earth rock like this was known as dunite, after Dunn Mountain in Australia. Other sections of the rock containing all three minerals are similar to what was called gabbro on Earth.

(**The New York Times** and **The** *Times of India,* New Delhi)

[Prev. ref. *9129:AOA:D*]

F. **"Mariner" Spacecrafts' Findings About Mars:** Giving details of the scientific findings by the two **Mariner** spacecraft launched by USA, Dr. Charles Barth, physicist at the Colorado University, said on August 2 that information from Mariner-6 indicated that the atmosphere on Mars lacked nitrogen, an essential ingredient for life as it is known on Earth.

He said: "Our conclusion on the basis of preliminary results is that there is no nitrogen in the atmosphere." **Mariner-6** ultraviolet tests revealed a lack of nitrogen. But instruments indicated that the mystery planet did have in its atmosphere hydrogen, oxygen, carbon, carbon monoxide and carbon dioxide.

On August 2, **Mariner-7,** feared lost three days earlier when it was out of contact for seven hours, began taking its first series of pictures of Mars.

Scientists at the Jet Propulsion Laboratory in Pasadena (California) said that after taking two test pictures **Mariner-7** was now working well as it headed in for the second photographic reconnaissance of the red planet in five days.

The probe's twin, **Mariner-6,** was moving out into solar orbit after swooping to within 2,000 miles of the Martian surface to send back to Earth the closest photographs ever of the planet.

The photographs sent by **Mariner-6** revealed no evidence of vegetation on the crater-pocked surface of Mars. There was also no sign of life-giving nitrogen either in the upper atmosphere or circulating between the planet's surface and the atmosphere.

Scientists said they saw no clouds in the equatorial area **Mariner-6** passed over and no signs of the atmospheric blue haze seen around Mars from Earth telescopes. The faint canals criss-crossing Mars had proved to be vague dark splotches when seen from **Mariner-6's** closest fly-by point of 3,427 km.

A dramatic view of the Earth framed by the jagged ice peaks of the Martian South Pole astounded scientists as they watched the pictures sent over 60 million miles of space by **Mariner-7.**

The pictures, gleaming close-ups of ice-walled craters and snowy wastes on the south polar cap, were taken 24 hours earlier as **Mariner-7** swept down over the planet's South Pole at a height of 2,000 nautical miles. They showed the rim of the polar ice-cap—thought to be straight until the first pictures of the region were sent back by **Mariner-7's** twin —**Mariner-6** as jagged and indented with patches of snow, with an orange-coloured desert immediately above. Craters pockmarked both the polar cap and desert regions. One indentation about 20 miles long looked like a giant human footprint.

The most dramatic pictures came after the camera angles changed to snap the South Pole. As the afternoon sun played on the snowy surface, glimpses of the Earth could be seen through the southern rim of craters at the extremity of the polar ice-cap.

Scientists at the Jet Propulsion Laboratory had ordered a last-minute switch in the camera angles to photograph the exact area of the South Pole and a blue haze which had been seen hovering above it in long-distance photographs sent back as **Mariner** approached the red planet.

The southernmost pictures were among the most spectacular, showing streaks of limestone-type patterns. Scientists peering closely at the pictures eventually decided they were frost drifts. Dr. Conrad Giovy, Professor of Atmosphere Science at the University of Washington, said he was unable to make out the blue haze seen in the long-distance photographs.

Gases Present In Martian Atmosphere:

A Jet Propulsion Laboratory scientist, Dr. G. Pimentel, said on August 7 that **Mariner-7** had detected gases above the Martian south pole which could indicate the existence of life on the planet.

He said the two gases detected were methane and ammonia, which are at the origin of the life evolution chain on Earth. "If these elements really exist, we can't escape the fact that they might be of biological origin." This was the first report of organic substances from the passes of **Mariner-6** and **7.**

Contrary to findings by other experimenters, who said the south polar cap appeared to be solid carbon dioxide, Dr. Pimentel said his instruments showed that the cap was made of water ice with a cloud of frozen particles above it. This cloud would protect any micro-organisms in the polar cap area from deadly solar radiation.

But Dr. Norman Horowitz, of the California Institute of Technology, cautioned that "methane and ammonia can be produced biologically and non-biologically and are very common components of our cosmos."

He said all indications from **Mariner-7** and its twin **Mariner-6,** which flew over the Martian equatorial region five days before **Mariner-7,** were that Mars was a hostile desert bombarded by destructive ultra-violet rays from the Sun. "Certainly no terrestrial species could live on Mars. If there are inhabitants on Mars, then those inhabitants must be microbes."

(**The New York Times, The Times,** London and **The Statesman,** New Delhi)

[Prev. ref. 8069:AOA:B, 8834:AOA:E]

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AFGHANISTAN

A. Restoration Of Transit Facilities With India—Mr. N. A. Etemadi's Appeal To Pakistan: In Kabul on August 28, the Premier, Mr. Noor Ahmed Etemadi, called on Pakistan to restore the transit facilities for trade between Afghanistan and India.

He said that the continued closure of the transit route to India had imposed an unnecessary burden on Afghanistan and entailed additional freight costs. He hoped the new Pakistani authorities would not continue what was in fact a kind of economic pressure on Afghanistan.

He regretted that his Government's readiness to co-operate with all countries in the field of land transit had been misinterpreted in Pakistan and in some foreign Press circles.

He explained that his Government had not made any proposal on regional co-operation because it believed that the settlement of the transit question was a pre-condition for such co-operation.

On Pakhtoonistan:

Regarding the problem of Pakhtoonistan, Mr. Etemadi re-affirmed that Afghanistan regarded the 1947 referendum as void because it was incomplete and had been "rigged."

Afghanistan continued to insist on the Pakhtoons' right of self-determination. Consequently, it would not recognize any alteration of the present situation in the area which was not based on the expressed and confirmed wishes of the population.

His Government, he said, was hoping that unlike the former Pakistani regime the present Government would take a realistic and farsighted view of the problem. He was confident that the problem of Pakhtoonistan could be solved in an atmosphere of brotherhood and that fruitful co-operation would develop between Pakistan and Afghanistan.

(**Kabul Radio** and **The Statesman,** New Delhi)
[Prev. ref. 9061:AFG:A]

CEYLON

A. State Banks To Operate In India: India informed Ceylon on July 12 that it had no objection to two State banks—the Bank of Ceylon and the People's Bank—opening branch offices in India on the same terms and conditions on which other foreign banks were allowed to function.

This cleared the way for three Indian banks operating in Colombo to entertain new accounts from Ceylonese constituents as soon as Cabinet approval was given.

While the Ceylonese State banks have no immediate plans to have branch offices in India, the Government was apparently anxious to have the formal Indian assent for them to do so as a prequisite for permitting the Indian banks in Ceylon to expand their business among Ceylonese clients.

An agreement on other points, such as credit for Ceylon's development projects and training of local bank personnel, was reached earlier on the same lines as other foreign banks which were recently allowed to extend their activities to Ceylonese.

(**The Times of Ceylon,** Colombo)
[Prev. ref. 8811:CEY:A]

INDIA

SUMMARY: New Vice-President; Congress Party Crisis; Surrender Of Nagas; Jana Sangh And CPI On Political Situation; National Labour Commission's Report; Economic Performance During 1967-68; Commission To Inquire Into Birla Firms.

A. Mr. G. S. Pathak Elected Vice-President: Mr. G. S. Pathak, Governor of Mysore, was elected Vice-President of India on August 30. He secured 400 of 725 valid votes as against 169 polled by Mr. Sivasanmugham Pillai and 156 by Mr. H. V. Kamath.

Three other candidates, who were also in the run, did not poll a single vote.

It was presumed that about 50 Congressmen exercised their right of "free vote." Their votes were distributed between Mr. Kamath and Mr. Pillai.

Of the 759 members of the electoral college for the Vice-Presidential election, 24 members of Lok Sabha and nine of the Rajya Sabha failed to turn up at the Parliament polling office. One vote was declared invalid.

When Mr. Pathak was informed of his electoral success, he said: "I am grateful to the Members of Parliament and through them, to my countrymen for the honour they have conferred on me by electing me to this high office. I deem it yet another opportunity to serve the nation. It shall be my constant endeavour to justify the confidence and trust reposed in me. The good wishes of my fellow-countrymen will always be a source of strength to me."

Within an hour of his election as Vice-President, Mr. Pathak submitted his resignation as Governor to the President. The resignation became effective from the forenoon of August 31.

Mr. Pathak was sworn-in as Vice-President on August 31.

The Chief Justice of Mysore, Mr. A. R. Somanath Iyer was sworn-in as acting Governor of Mysore by the senior-most judge, Mr. M. Sadasivayya, on August 31.

Cross Voting:

An analysis of the pattern of voting in the Vice-Presidential election showed that there was cross voting not only on the part of Congressmen but also by members of some of the Opposition parties.

More Congress MPs seem to have voted against the party mandate for Mr. H. V. Kamath than for Mr. Sivasanmugham Pillai.

In the cross voting for Mr. Pillai, Harijan solidarity played an important part. In Mr. Kamath's case, three factors were believed to have worked in his favour. His many contacts as an old parliamentarian, his Maharashtra connexions, and last but not the least, the grievance that some Congress MPs bore against Mrs. Gandhi for having demanded a free vote to Mr. Sanjiva Reddy's disadvantage (see page 9146).

But the cross voting was not all from the Congress to the Opposition candidates. The total Opposition strength in the electoral college is 327 compared with a total of 325 votes polled by Mr. Pillai and Mr. Kamath. Considering that the two got between them 50 to 60 Congress votes, there was cross voting to the same extent in Mr. G. S. Pathak's favour by non-Congress MPs, including Independents.

Mr. G. S. Pathak's Career:

When 73-year-old Mr. Pathak assumed office as Governor on May 13, 1967, he took over from Mr. Giri, who subsequently became Vice-President and now the President.

Born on February 28, 1896, Mr. Pathak was educated at Government College, Lahore, and at the University of Allahabad. He started practice of law at Bareilly in 1919 and later shifted to the Allahabad High Court in 1928.

While at Allahabad, Mr. Pathak *came in contact with Mr. Moti Lal Nehru, Sir Tej Bahadur Sapru and subsequently Mr. Jawaharlal Nehru* and Mr. H. N. Kunzru.

Mr. Pathak was appointed a Judge of the Allahabad High Court in 1945. After having served as a judge, he left the Bench in 1946 and resumed practice. His public life also started then. In 1951, Mr. Nehru appointed him honorary legal adviser, particularly in international law.

Mr. Pathak went to United Nations seven times as a member of the Indian delegation between 1946 and 1959 to give expert legal advice on the Kashmir issue. In 1957, he visited several South American countries as Special Representative of the Prime Minister with the honorary rank of Ambassador to apprise them of India's stand on Kashmir.

He was elected to the Rajya Sabha in April, 1960 and had served on a number of parliamentary committees. Soon after Mrs. Indira Gandhi became Prime Minister in 1966, Mr. Pathak joined the Central Cabinet as Law Minister, a position which he held till the end of the third Lok Sabha in April, 1967. He served as President of the All-India Seva Samiti, member of the Indian Commission of Jurists, the International Law Association and the Law Commission of India.

(**The Statesman** and **The Times of India**, New Delhi)

[Prev. ref. 7661:INI:H, 7708:INI:A]

B. No-Confidence Move Against Central Government Fails To Get Support: The Lok Sabha refused leave to Mr. Madhu Limaye and two of his SSP colleagues on August 28 to table a motion of no-confidence in the Central Council of Ministers.

The Speaker put the motion to vote as soon as Mr. Limaye rose to seek leave of the House. Only 14 SSP members, three short of the party's total strength, stood up in support. The rest of the Opposition sat motionless, seemingly unconcerned about it.

There were cheers from the Congress benches and Mr. Limaye's observation that his purpose had been served was drowned in the noise. Pointing an accusing finger at the rest of the Opposition, Mr. Limaye added: "Now we know who is for what."

In the meantime, the Speaker had announced the rejection of the motion, the required 50 members not having risen in support.

This was one of the rare occasions when a censure motion was refused leave. Most such motions in the past had secured the necessary support without much ado. Indeed, for some time now, every session of the Lok Sabha has had at least one such motion to tackle. To that extent, this was a break from what was threatening to become a tradition.

Mr. Limaye's motion, read out by the Speaker, was: "This Government is a Government of contradictions in collusion with big business, foreign capital, feudal relics, bureaucracy and has, recently, encouraged destruction of democracy and the Constitution in Uttar Pradesh."

Spokesmen of some of the Opposition groups later attributed their refusal to support the motion to the SSP's failure to consult them in advance.

This was the sixth motion of no-confidence in the Government headed by Mrs. Indira Gandhi and the first that failed to muster support. The other five motions were rejected.

(**The Statesman**, New Delhi)

[Prev. ref. 8849:INI:L]

C. Congress Party Crisis: The following is a resume of political developments which led to the gravest crisis ever faced by the Congress Party as a result of the selection and defeat of Mr. N. Sanjiva Reddy in the election for President of India.

The Congress Working Committee, while discussing a Note on economic policies at Bangalore on July 9 (see page 9087) was confronted with another Note from the Prime Minister, Mrs. Indira Gandhi, differing with the official Note and suggesting radical changes including nationalization of major banks and import of raw materials, land reforms etc. This threatened a major crisis in the Party and the Central Government. The Working Committee, however, accepted on July 11 the Prime Minister's Note with amendments as suggested in Mr. Y. B. Chavan's resolution, leaving nationalization of banks to be implemented by the Government.

On July 13, also in Bangalore, the Congress Parliamentary Board nominated Mr. N. Sanjiva Reddy as the Party's candidate for Presidential election, rejecting the candidature of Mr. Jagjivan Ram sponsored by Mrs. Indira Gandhi. Mrs. Gandhi was reported to have taken offence and told Mr. Nijalingappa that "this is not the way to treat the Prime Minister of the country". She linked Mr. Reddy's nomination with opposition to her economic policies.

The same day (July 13), Mr. V. V. Giri, the Acting President, announced his own candidature for the Presidential election, as an independent candidate. He resigned from the posts of Acting President and Vice-President and handed over to Mr. M. Hidayatullah, Chief Justice of India, who was sworn-in as Acting President on July 20.

Both Mr. Reddy and Mr. V. V. Giri filed their nomination papers on July 21.

Meanwhile, on July 16, Mrs. Gandhi relieved Mr. Morarji Desai of the Finance portfolio in the Central Government. Mr. Desai immediately resigned and his resignation was accepted on July 19. The same day, the Acting President promulgated an Ordinance nationalizing 14 major banks which controlled 85 per cent of total bank deposits in the country. A Bill to nationalize banks was introduced and passed in Parliament. It received the President's assent on August 9.

On August 11, Mr. Jagjivan Ram and Mr. Fakhruddin Ali Ahmed wrote to the Congress President, Mr. S. Nijalingappa, criticising his contact with the Jana Sangh and Swatantra Party on a "personal level" which indicated an effort at "collusion to topple down the Central Government." They foresaw "grave repercussions of this move on the Presidential election." Mr. Nijalingappa repudiated these charges. In a letter to Mr. Nijalingappa dated August 15, Mrs. Gandhi wrote that while she desired unity in the party, the Congress could not merely serve as a machine for securing the election of a candidate (Mr. N. Sanjiva Reddy) "chosen by a small group," specially by making alliances divorced from policies with the Swatantra and Jana Sangh parties.

On August 12, Mrs. Gandhi and her two colleagues, Mr. Jagjivan Ram and Mr. F. A. Ahmed, demanded of the Congress President the right to a "free vote" in the Presidential election. Mr. Nijalingappa opposed the move and suspended Mr. Arjun Arora, MP, from the party on August 14 for asking for the same right earlier.

On August 13, Mrs. Gandhi turned down Mr. Nijalingappa's request to issue a whip to Party members, as she said she could not be party to "winning elections by clouding principles."

The Presidential election took place on August 16.

On August 18, the Congress President, Mr. S. Nijalingappa asked for an explanation from Mrs. Gandhi, Mr. Jagjivan Ram and Mr. Fakhruddin Ali Ahmed for their attitude in the election. Mrs. Gandhi, on the other hand, warned of "disastrous consequences" for the party if any disciplinary action was taken against those who voted according to their conscience.

Addressing about 100 MPs later on August 18, she referred to an impression that had been created in the world that the Prime Minister of India had been demoted in her own political organization annd that she had swallowed many insults to maintain unity in the Party.

However, in the poll held on August 16 and after counting of votes on August 20 for the Presidentship, Mr. V.V. Giri was elected as President of India. This was acclaimed as a "strategic victory" for Mrs. Gandhi by her supporters.

The Congress Working Committee met in New Delhi on August 25 to review the events which led to dissensions and break-up of Party discipline and decided to withdraw notices calling for an explanation from Mrs. Indira Gandhi and her two Cabinet colleagues for demanding "free vote" in the Presidential election, defined the spheres of action respectively of the Congress President and the Prime Minister to eliminate friction, asked for adherence to Party programmes and policies and exonerated Mr. Nijalingappa of alleged "collusion" with certain Opposition political parties to topple down Mrs. Gandhi's Ministry. The resolution of the Working Committee covered, directly or indirectly, the main issues of discord between factions led by the Congress President and the Prime Minister which centred on ideological differences on the economic programme, manner of selecting the Congress nominee for Presidential election, allegation against the Congress President to collude with Opposition parties to topple down the Government, demand for "free vote" in the Presidential election and the threat of disciplinary action which followed the demand, and Mrs. Gandhi's allegations of attempts to denigrate her office both in India and abroad. The relationship between the Congress President and Prime Minister were broadly defined and emphasis laid on the fact that the two offices were not rival centres of power, but that the health of the Party depended to a large extent on how they ran the organization.

The resolution stated that what was needed was that the disease should be treated rather than the symptoms. The immediate danger of a split in the party was thus averted.

On August 29, obviously attempting to set at rest the controversy about Mr. Morarji Desai's exit from the Central Cabinet, Mrs. Gandhi maintained that the discretion of the Prime Minister could not be fettered by the organizational wing in the selection of Ministers and other matters which fell exclusively within her jurisdiction. The Prime Minister or the State Chief Minister was the "arch-stone" which formed the basis of the democratic structure. She was addressing a meeting of the Congress Parliamentary Party.

Once chosen to this high office, she said, he or she must have full discretion. If the person concerned did not command the confidence of Parliament or the legislature, he or she must quit. Democracy could not be successful by proceeding in an arbitrary way.

[Mrs. Gandhi seemed to have had in mind the statement made in Bangalore on August 28 by Mr. Nijalingappa that Mr. Desai's resignation was still a "live issue."]

She quoted Mr. Nehru as having told a conference of PCC Presidents in 1954 that it would be "most unjustified" to expect that Ministers should hold office at the pleasure of the PCCs. If this happened, the Parliamentary Party could not function and democracy would be reduced to a mockery.

To re-inforce her argument that the Prime Minister had unfettered discretion so far as the running of the Parliamentary Party was concerned, Mrs. Gandhi referred to the controversy between the former British Prime Minister, Lord Attlee, and the then Chairman of the Labour Party, Mr. Harold Laski, and pointed out how Lord Attlee could not accept the views of his party chief. This was a matter of recent history.

In her 45-minute speech, she touched on the recent crisis facing the party and went on to explain at some length the roles of the leader of the Congress Parliamentary Party and the Congress President.

This issue, she said, had cropped up in all democracies. There was no question of denigrating any person or showing disrespect to him. As had been stated in the recent resolution of the Congress Working Committee, the two roles were complementary. While both should work together, their spheres of activity were different.

The Congress President's sphere was the organizational sphere. It was the party which should broadly lay down the direction in which it wanted its Parliamentary wing to go. How the Congress Governments should function and how the policies and programmes should be implemented should be left to Parliament and Legislative Assemblies.

She reminded the CPP that the Prime Minister was not only responsible to the Congress Party but had wider responsibilities. She had also to deal with State Governments and heads of foreign Governments. As Prime Minister, he or she represented the country in dealing with Governments and peoples of other countries.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 9087:INI:A, 9110:INI:B]

D. **Pakistan Opposed To Resumption Of Trade—Mr. Dinesh Singh's View:** The External Affairs Minister, Mr. Dinesh Singh, stated on September 2 in reply to a letter from a West Bengal MP that President Yahya Khan's reply to Mrs. Indira Gandhi's communication in August, "as also all other indications we have had from Pakistan", showed "quite clearly" that Pakistani leaders were firmly opposed to taking any steps to permit resumption of trade with India.

He said India had been keen to normalize trade and travel relations between India and Pakistan and had removed the ban on trade with Pakistan a long time back. India had also made several proposals in this respect.

There were, however, "several indications that the people of Pakistan desire and realise the benefits of trade between India and Pakistan. For example, in recent weeks, **Pakistan Observer**, a daily newspaper published in East Pakistan, had carried a number of articles strongly suggesting that there should be normalization of trade and travel relations between the two countries to persuade the people of Pakistan that trade and other contacts with India can only be of benefit to them."

(The Hindustan Times, New Delhi)

[Prev. ref. 9124:PAK:B]

E. Diplomatic Appointments: It was officially announced in New Delhi on August 30 that Mr. J. K. Ganju, Ambassador to Laos, had been appointed Ambassador to Norway in succession to Mr. N. V. Rao.

Mr. B. K. Massand, Joint Secretary in the Ministry of External Affairs, was appointed Ambassador to Mexico, in succession to Mr. Perala Ratnam.

Mr. J. N. Dhamija, Ambassador to Czechoslovakia, was appointed Ambassador to the Netherlands in succession to Mr. S. N. Haksar.

Mr. Yogendra Krishan Puri, Ambassador to Sweden, was appointed High Commissioner in Ceylon in succession to Mr. Y. D. Gundevia.

(The Statesman, New Delhi)

[Prev. ref. 7056:INI:P, 7497:INI:K, 7643:INI:G, 7979:INI:E]

F. Surrender Of Naga Hostiles: *A group of 85 Naga hostiles, including eight self-styled officers,* on July 28 surrendered with their arms to the civil authorities at Melury, east of Kohima.

The arms included three light machine-guns, a 73-mm rocket launcher, a 51-mm mortar, a sten-gun, a tommygun and 42 rifles. This was the first time that such a large group had surrendered with their arms.

On August 2, seven persons, including five personnel of the Central Reserve Police, were shot and killed by an armed band of underground Nagas at Krikima, about 32 miles south-east of Kohima.

They were proceeding in an army jeep towards Kohima when they were ambushed and shot dead. Six of them, including an officer of the Subsidiary Intelligence Bureau of the Central Home Ministry, died on the spot. The driver of the jeep died later in an Army hospital.

In an earlier incident, two jawans were wounded by another band of hostile Nagas who opened rifle and mortar fire on a security force post at Barabasti in Kohima town.

Nagaland's Chief Minister, Mr. Hokishe Sema, told the Legislative Assembly in Kohima on August 16 that since the cessation of operations in Nagaland in September, 1964, about 1,800 underground Nagas had surrendered with 237 weapons.

The number of the rebels captured during this period was 472 with 146 weapons. Adequate steps had been taken for rehabilitating these underground Nagas.

About 150 China-trained Naga hostiles sneaked back to the cease-fire-bound Ukhrul sub-division of Manipur from Upper Burma during the last few days of August, 1969. A heavy movement of the so-called federal Naga army was also reported from the Mao sub-division of Manipur bordering Nagaland.

Two Naga hostiles were killed and another two were captured on September 3 in a major encounter with security forces in the Konyak area of Tuensang district, bordering on Burma. Eight rifles, four of them with Chinese markings, and a large quantity of ammunition were captured.

Army Vehicles Convoy Ambushed: On August 22, one Naga hostile was killed and one captured in an exchange of fire following an ambush of a convoy of army vehicles at Cheswema village, 12 miles from Kohima.

Two men of the Security Forces received serious injuries in the ambush, which was laid by an estimated 40 Naga hostiles. One worker of the State Public Works Department was killed.

This was the fourth ambush in the last one month in Nagaland.

Details of the ambush showed that it was well-planned, with trenches dug on either side at the site on the Kohima-Wokha road. But, the hostiles misjudged the strength of the convoy and opened premature fire. The Security Forces were able to hit back effectively. When the hostiles were charged from both sides, they disappeared into the thick jungle after one of them was killed and another captured.

Reliable reports said that the hostile gang was led by the self-styled "major-general" Iyali Metha. The same gang was believed to be responsible for the earlier ambushes in the area this month, in one of which seven persons were killed. The hostiles were reported to have used mortars and light machine-guns.

These acts were believed to have been committed by the underground to provoke the Security Forces and earn the support and sympathy of villagers.

Cease-fire Agreement Extended: The Governor of Assam and Nagaland, Mr. B. K. Nehru announced on August 31 the extension of the suspension of operations agreement by another month.

The underground Nagas also extended the cease-fire for the same period.

(The Statesman, Calcutta)

[Prev. ref. 8896:INI:E, 9028:INI:F, 9134:INI:G]

G. Jana Sangh Working Committee Adopts Political Resolution: The Working Committee of the Bharatiya Jana Sangh, in its main political resolution adopted in New Delhi on September 1, declared that the real need of the moment was for all who believed in nationalism and democracy to appreciate that, while parties might disagree in respect of the path to economic progress, the nation could not be divided in its basic commitment to nationalism and democracy.

"Let no one shut his eyes to the fact that both the Indian Communist Parties refuse to commit themselves to either of these basic values," it said, recalling the statements of leading Indian Communists that their aim was to wreck the Constitution from within.

It noted with pleasure that even the Swatantra Party—"the enthusiastic spokesman of economic Rightism"—had in its latest resolution admitted the irrelevance of the terminology of "Left" and "Right." "In fact, the Jana Sangh has been of the view that the terms 'Left' and 'Right' are not quite relevant to the Indian context, and the more they are stressed the easier it becomes for Communists to cloak their extra-territorial loyalties behind the veneer of 'progressive Leftism'."

The Jana Sangh would continue to spread popular awareness about communist intentions and exert to bring together all groups which could work in concert to checkmate "this anti-national and anti-democratic front."

About the Presidential election on August 16, the resolution said that the Prime Minister, Mrs. Indira Gandhi and her supporters had been labouring hard to project the contest as a confrontation between Leftists and Rightists. No analysis could be more fallacious and off the mark. The schism precipitated within the Congress itself provided proof of this fallacy. Surely, Mrs. Indira Gandhi and her Congress supporters could not be regarded as more authentic specimens of Left economics than

Mr. Chavan, Mr. Kamaraj and Mr. Asoka Mehta. Yet, these two sets of Congressmen were on opposite sides of the fence.

According to the resolution, the alignment of forces during the Presidential poll was based on two factors: first, the attitude of the various political parties and groups towards communists in general and the "developing Mrs. Gandhi-Communist axis in particular and, second, the personal equation forged by various sections with the Prime Minister." The Jana Sangh's decision to cast its second preference votes for Mr. Sanjiva Reddy was prompted in the main by the first of these two considerations.

The resolution accused Mrs. Gandhi of taking "unabashed recourse" to casteism and communalism. The entire machinery of the Central Government, including **All-India** Radio, was harnessed to the election campaign. Even the Press was sought to be bullied and coerced into toeing the official line. The "witch-hunting of independent journalists and cartoonists who refused to truckle to official pressure" continued even after the election.

While an open split in the Congress had been averted, the resolution felt that the Congress would never be the same again. Even more disastrous to the Congress could be the Prime Minister's open bid to denigrate the authority of the party and assign to it a position subservient to that of the legislative wing.

On Bank Nationalization:

The Jana Sangh Working Committee's resolution on bank nationalization said that, in order to do away with the possibility of haphazard steps being taken by politicians on considerations that were not strictly economic, a "really autonomous monetary authority to control the issue of currency and credit be constituted by changing the status, character and composition of the Reserve Bank of India and by giving independent economists an effective voice on the Board of Directors."

It said that social control over banks should have been given a fair trial. The fact was that nationalization was resorted to without assessing the results of the experiment of social control.

That the Government took the decision to nationalize the banks without due thought and without preparing any blueprint was evidenced by the fact that up to now there had been no clarity regarding such important aspects as rationalization of branch expansion, structure of interest rates, new role of the co-operative sector, the inconsistency involved in leaving foreign banks out of the scheme of nationalization, the procedure for ensuring public accountability on the part of banks taken over by the Government, and the problem of providing properly trained and competent managerial personnel for them.

The resolution directed all the Sangh branches to organize a nation-wide campaign from September 15 to educate public opinion on the party's new image of being neither to the Left nor Right, but having the "common man's approach," particularly in the economic field.

During the campaign, party workers will demand that drivers of hand-carts, bullock carts, cycle-rickshaws, scooters and taxis—the class that has welcomed the nationalization of banks—should be given loans on easy terms by the Government and the nationalized banks to enable them to buy their own vehicles.

A demand will also be made and popularized that the Government and the nationalized banks should give loans to small farmers to buy pumping sets, tractors and tubewells on the same terms as loans are advanced to industry, and that even small artisans such as washermen, barbers, weavers and cobblers be given credit to buy their implements and suitable sites to carry on their avocations.

The Sangh went even to the extent of considering such socialistic measures as imposition of a ceiling on urban property. It will seek the opinion of the Pradesh working committees on this and a decision will be taken at the all-India session of the party to be held in Patna at the end of December. The party also asked for implementation of the law on ceiling on agricultural land.

In its resolution, the Working Committee turned the focus only on such points in its manifesto as were beneficial to the common man. It said the nationalization of banks had made it imperative that the Fourth Five-Year Plan be re-cast to take into account the additional resources that would be available. The re-drafted Plan should achieve the objectives of provision of: (1) full employment to all able-bodied persons; (2) primary education and elementary health services for every person in five years; (3) clean drinking water supply in every village; and (4) a reduction in growing economic disparities to the ratio of 1:20.

To achieve these objectives and to re-draft the Plan, the Working Committee suggested a round-table conference of representatives of varied economic interests and economists.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 9112:INI:C]

H. **CPI National Council Meeting:** The National Council of the Right Communist Party stated in New Delhi on September 1 that all possibilities of arriving at a reasonable understanding with the Marxist Party in Kerala had now been destroyed by the latter's desire to dominate the United Front.

It said that the Marxist Party had refused even to accept those proposals which had been accepted by the other major constituents of the United Front like the ISP, the Muslim League and the RSP.

It pointed out that the crisis had now taken a turn for the worse with the departure of the Chief Minister, Mr. E.M.S. Namboodiripad, for East Germany for medical treatment.

The Council felt that only by speeding up the implementation of the minimum programme of the United Front and taking quick steps to give relief to the people, would the United Front Governments both in Kerala and West Bengal be able to fulfil their role of leading the democratic movement in the country.

It explained that the present political situation in the country demanded the utmost unity of all Left and democratic forces to utilize the opportunities that had now opened up for forcing the Central Government to take more and more radical steps in the economic, political and social spheres. "It would be disastrous for any party, therefore, now to do anything to sow the seeds of disruption among Left and democratic forces. The National Council of CPI hopes that better sense will prevail with the CP (Marxist) and they would realise the supreme necessity of unity among all Left and democratic forces and abandon the path of disruption that they are now following."

Resolution On Political Situation:

A resolution on the political situation said that the CPI National Council considered the recent political developments at the Centre in the wake of the Presidential election to be a turning point in the political life of the country.

It explained that alignments of forces in the Presidential election was basically political in character and it was not just a struggle for power among the contending groups.

It said that progressive elements in the Congress Party had achieved victory for the time being by frustrating the Syndicate's conspiracy for a Rightist take-over of the Central Government. It pointed out that though the Syndicate had now been forced to make a temporary retreat, yet this defeat of the Syndicate-Swatantra-Jana Sangh combine should not be taken to mean that the danger of Rightist offensive had been eliminated.

It claimed that it had now repudiated certain subjective schemes and opportunist theories. "Democratic struggle means no longer the line between the Congress as a whole on the one side and all the Opposition parties ranged against it on the other. Neither is the struggle confined within the formula—Congress vs. the Left opposition."

(The Times of India, New Delhi)

[Prev. ref. 8912:INI:F]

I. **National Labour Commission's Report:** *In its report released in New Delhi on August 29, the National Labour Commission recommended setting up of permanent industrial relations commissions both at the Centre and in the States and also standing labour courts in the States.*

The Commission, which was headed by the former Chief Justice of India, Dr. P. B. Gajendragadkar, and the second appointed in 40 years, rejected the pleas for a common labour code and a national minimum wage. It favoured, however, enhancement of contribution to the employees' provident fund and immediate appointment of a pay commission for Government employees.

The industrial relations commissions would be high-powered bodies, independent of the executives. They would have three main functions: adjudication on industrial disputes, conciliation and certification of unions as representative unions. The commission at the Centre would deal with disputes involving questions of national importance or those likely to involve establishments situated in more than one State. There would also be an industrial relations commission in each State for settlement of disputes for which the State Government was the appropriate authority.

On minimum wages, the Commission re-iterated the principle that in the matter of paying wages as prescribed under the Minimum Wages Act, the capacity of the employer was irrelevant. It recognized workers' claim to the need-based minimum wage, but stipulated that capacity of the industry to pay was relevant in fixing the wage. Finding a national minimum wage as unfeasible if related to conditions in more advanced regions and of little practical benefit if based on conditions in less developed areas, the Commission suggested that regional minima could be fixed.

Having recognized the legitimacy of strikes and lock-outs for 30 days in certain given situations, the Commission left it open to terminate the strike or lock-out even before the prescribed period after considering the motion in that behalf from the appropriate Government. The penalties which had been provided for unjustified strikes or lock-outs would, in the Commission's opinion, ultimately avoid strikes and lock-outs and would in due course persuade the parties to sit round the table earnestly and settle their differences by negotiations.

(The Times of India, New Delhi)

[Prev. ref. 7497:INI:O]

J. **State Take-over Of Import Of Raw Materials:** The Minister for Foreign Trade, Mr. B. R. Bhagat, said in the Rajya Sabha on August 21 that the "policy decision" of the Government in respect of import of raw materials "is that we will take over progresssively *import of industrial raw materials."*

He was asked whether, in view of alleged abuses of the export and import licences, the Government thought that the time was fit for nationalizing or canalizing all export-import trade through Government agencies.

Mr. Bhagat replied: "The policy in that respect is very clear, and already we are taking more and more items both in import and in export for canalization. As for the imports of raw materials, the policy decisions is that we will take **over progressively** import of industrial raw materials—even in export items according to the items concerned, their suitability and in the public interest we will take them over in the public sector."

According to official sources, no new major decision was taken by the Ministry. The policy as stated by the Deputy Minister of Foreign Trade, Mr. Ram Sevak, in the Lok Sabha on August 20 stood.

He had said: "It is the policy of the Government to extend progressively the scope of activities of the State trading agencies in the import and export trade. In accordance with this policy, import and export of a number of commodities have been canalized through STC and MMTC. Such canalization is proposed to be extended in future to such items as are found suitable for State trading."

(The Times of India, New Delhi)

[Prev. ref. 8935:INI:G, 9087:INI:A]

K. **Economic Performance During 1967-68:** A detailed appraisal of performance of the economy in 1967-68, the second year of the interregnum between the Third and Fourth Plans, has indicated that the strains under which it had operated since the end of the Third Plan continued till about the middle of the year, but the latter half marked a turning-point in the course of the economy.

These observations were made in the Annual Plan progress report for 1967-68, prepared by the Planning Commission, copies of which were presented to Parliament on August 30.

The document stated that the average index for agricultural production as a whole recorded a rise of 22.6 per cent to 161.8 in 1967-68 from 132 in 1966-67. The rate of growth of industrial production was, however, 0.5 per cent only, as compared to 0.2 per cent in 1966-67. This was considered significant inasmuch as the declining trend in the annual rate of growth of industrial production, observed since 1964-65, was reversed.

The national income in real terms was higher by 8.9 per cent in 1967-68, in contrast to a decline of 5.6 per cent in 1965-66 and a marginal increase of 0.9 per cent in 1966-67.

The total outlay for 1967-68 was originally fixed at Rs. 2.246 crores, which was slightly in excess of the anticipated Plan expenditure of Rs. 2,221 crores in 1966-67. Subsequently, the figure was revised to Rs. 2,240 crores, as a result of adjustments in the outlays of certain States and Union Territories.

The distribution of Plan expenditure of Rs. 2,110 crores as between the Centre, States and Union Territories was Rs. 1,030 crores for the Centre, Rs. 1,022 crores for States, and Rs. 58 crores for Union Territories.

Plan expenditure had declined from a level of Rs. 2,329 crores in 1965-66, the last year of the Third Plan, to Rs. 2,165 crores or by 7 per cent in 1966-67. The year under review witnessed a further decline of 3.5 per cent in the actual Plan expenditure.

Imports, on the other hand, registered a further fall due to the continued recession in some industries and further progress in import substitution. As a consequence, the payments situation became somewhat easier in contrast to the difficult situation in earlier months.

The rate of investment in the economy further slackened to 11.3 per cent in 1967-68 from 11.8 per cent in the preceding year. Here too, the decline was mainly in the rate of public investment, which went down from 7.9 per cent in 1966-67 to 6.4 per cent in 1967-68 due to fall in both public savings as well as draft on private savings made by the Central and State Governments through the various forms of borrowings. The rate of private investment, on the contrary, registered an improvement from 3.9 per cent in 1967-68, mainly arising from replenishment of food stocks and inventory accumulation in certain industries.

The document added that while the economy showed signs of recovery during the latter half of the year, the employment situation remained more or less static, particularly in the organized sector.

(**The Times of India**, New Delhi)

[Prev. ref. 7746:INI:A, 7859:INI:B]

L. **Objectives Of Annual Plan:** Internal price stability and external payments equilibrium are the two prime objectives of the Annual Plan for 1969-70, the first year of the Fourth Five-Year Plan.

The size of the Plan, the allocations to different sectors and outlays on major projects are on the lines indicated in the Central Budget for 1969-70.

A copy of the Annual Plan was placed on the table of Parliament on August 29 by the Minister for Parliamentary Affairs, Mr. K. Raghuramaiah, on behalf of the Prime Minister.

The report, released five months after the commencement of the Plan, said that the aggregate outlay in the public sector would be Rs. 2,271 crores in 1969-70 or about 15.8 per cent of the total investment proposed for the Fourth Plan.

As compared to the estimated investment of Rs. 1,785 crores in fixed assets during 1968-69, Rs. 185 crores more have been provided in the Plan for 1969-70 for fixed investment in public sector projects.

The Annual Plan aims at a step-up in the rate of investment to 12 per cent of the national income from the previous year's level of 11.3 per cent and an increase in net fixed investment in the public sector of 10 per cent over the level in 1968-69. During the current year, a growth of 5.5 per cent in the national income through a growth of five per cent in net output from agriculture and eight per cent in organized industry has been assumed. Prices are to be stabilized around the level reached in 1968-69 by a more efficient management of supplies of foodgrains and important agricultural raw materials.

(**The Times of India**, New Delhi)

[Prev. ref. 8946:INI:A]

M. **FICCI Committee On Economic Programme:** A two-day meeting of the committee of the Federation of Indian Chambers of Commerce and Industry (FICCI) in New Delhi on August 31, through a consensus, expressed the opinion that recent events in the country—which began with the Bangalore session of the Congress —had "re-affirmed the nation's faith in democracy."

At the same time, the meeting felt, it would be wrong not to deal with the contrary forces at work, an indication of which was to be found in the manner in which rule of the law was being sedulously undermined in certain parts of the country and in the statements made by persons in high positions, such as Mr. A. K. Gopalan, MP, and Mr. E. M. S. Namboodiripad, Chief Minister of Kerala, that the Constitution should be wrecked from within.

A **communique** issued by the Federation said: "The meeting was unanimous that all possible support should be lent to all programmes that strengthen democracy in the country. Certainly, a better life for the people, larger employment potential to young men, and more opportunities to more and more people should be speedily brought about.

"Applying this yardstick, the meeting doubted whether the nationalization of the 14 major banks was going to make a difference over what was being achieved under social control. However, as a decision had already been taken and the law was on the statute book, it would be necessary that proper safeguards are taken to ensure that the banking system continued to promote the development of all the sectors which depended on banks for their financial requirements. It was equally important that banks continued to function with efficiency and courtesy.

"The meeting considered the economic policy and programme of the A-ICC and was of the opinion that some of the programmes enunciated in the Prime Minister's note at Bangalore were indeed welcome. In fact, some of them were being suggested by the business community itself, such as those relating to the autonomous functioning of public sector projects and their being manned by competent persons.

"Equally welcome was the desire for making special efforts to finance new entrepreneurs in less developed regions, to set up service co-operatives in rural areas and the like. As regards some other items of the programme, such as the purchase of Government requirements from public sector undertakings exclusively, imposition of ceilings on incomes and holdings of urban properties, the meeting thought they should be studied in greater detail.

"In fact, some of them, including the nationalization of the import of raw materials, may not only not achieve the desired objectives, but may even come in the way of the efficient functioning of the economy and also retard development. This, the meeting felt, may do damage to the nation, particularly at a time when the economy has been showing definite signs of improvement and, in fact, seems to be poised for a new step forward.

"The meeting was of the view that the new expectations that had been aroused in the people will have to be matched by a commensurate developmental effort in which all the sectors of society have to play their part. Should development be slowed down, social inequalities were bound to grow and stability would be difficult to maintain."

(**The Times of India**, New Delhi)

[Prev. ref. 9087:INI:A, 9112:INI:C]

N. **LIC Business During 1968-69:** The business of the Life Insurance Corporation (LIC) showed a marked rise during 1968-69, cashing in on an all-round recovery and revival in the country's industrial output.

The total new business rose to Rs. 929.35 crores in 1968-69—a new record for paid-for business. Another significant feature was that in 1968-69, 993,000 policies comprising 68.5 per cent of the total number of policies issued in India were issued on the lives of people insuring for the first time.

Premium income went up to Rs. 234.78 crores from Rs. 213.01 crores in the previous year. The total net income was Rs. 308.49 crores against Rs. 274.06 crores in the previous year. The lapse ratio was slightly lower at 6.3 per cent.

The LIC's efforts to bring new

sectors and classes under its business paid dividends. Thus, during 1968-69, 664,000 policies, namely, 48 per cent, were issued under the non-medical scheme assuring a new business of Rs. 207.95 crores. Under the salary-saving scheme, the sum assured was Rs. 164.96 crores against Rs. 141 crores in 1967-68.

The overall expense ratio for 1968-69 for life business came to 27.54 per cent against 27.52 per cent in the previous year. The renewed expense ratio was 15.91 per cent against 15.90 per cent in the previous year.

(**The Times of India**, Bombay)

[Prev. ref. 8067:INI:J]

O. Smuggling Of Foreign Goods: Smuggled foreign goods worth Rs. 19.57 crores were seized by the Customs at Bombay, Calcutta and Madras ports during 1968-69 and the number of cases detected was 26,020.

These figures compared with Rs. 17.06 crores worth of goods seized in 15,033 cases in 1967-68 at the three ports.

Between the beginning of 1967 and the middle of March this year, the Customs authorities and revenue intelligence raided and seized contraband goods worth Rs. 15.5 crores in Bombay, Rs. 1.58 crores in Delhi, Rs. 1.63 crores in Calcutta and Rs. 3.03 crores in Madras. The number of persons arrested was 1,485. Prosecutions were launched in 456 cases and 162 persons were convicted while 82 were acquitted. Cases against others are pending.

The total number of seizures was 24,816, the number of Indian nationals arrested was 1,469 and of foreign nationals 183, of whom 23 were let off.

In March and April alone this year, gold weighing 1,142 kg was seized by the Central excise authorities. In due course this will be deposited with the mint. The value of gold deposited with the mint during 1966-68 was of Rs. 92,96,000, Rs. 1,70,43,000 and Rs. 3,05,54,000 respectively.

(**The Times of India**, New Delhi)

[Prev. ref. 7990:INI:P, 8747:INI:Z]

P. Commission To Inquire Into Birla Firms' Improprieties: The Government of India announced in the Rajya Sabha on August 29 that it had decided to appoint a Commission to inquire comprehensively into allegations that improprieties and irregularities in licensing procedures and industrial financing had benefited larger industrial houses, including the Birla group of firms.

In his statement, the Minister of Industrial Development and Company Affairs, Mr. Fakhruddin Ali Ahmed, said that inquiry would be held into certain lapses, improprieties and acts of omission and commission by the Birla group of companies and some other industrial houses. He did not name the latter but said they had been referred to in the Dutt Committee report. The composition of the Commission and its terms of reference would be announced very soon.

He said: "As the House is aware, the Industrial Licensing Policy Inquiry Committee, headed by Mr. S. Dutt, has submitted two reports to the Government last month (July, 1969), one relating to industrial licensing and the other in respect of certain allegations against the Birla group of companies, which had a bearing on licensing and which had been referred to them. Both these reports have been placed before the House.

"While the conclusions and recommendations in the main report of the Industrial Licensing Policy Inquiry Committee regarding industrial licensing policy are under examination of the Government and it will take some time before the Government's decisions in that regard are finalized, the Government has taken note of the fact that the Industrial Licensing Policy Inquiry Committee has pointed out, in its main report on industrial licensing, a certain number of specific instances where lapses and improprieties and acts of omission and commission have allegedly taken place to the advantage of the large industrial groups.

"In its second report submitted to the Government on July 28, 1969, regarding certain specific allegations against the Birla group of companies referred to the Committee, the Committee has reported that it has not been possible for them to conduct a full and detailed inquiry in many of the cases.

"The Government is of the view that the afore-mentioned lapses, improprieties and acts of commission and omission referred to in the Dutt Committee's reports are definite matters of public importance and a full and comprehensive inquiry is necessary in respect of the above cases. It has, therefore, been decided to set up a Commission of Inquiry under the Commissions of Inquiry Act, 1952, to go into all these matters. The composition of the Commission and its detailed terms of reference will be announced shortly."

(**The Times of India**, New Delhi)

[Prev. ref. 7874:INI:N, 8048:INI:F]

Q. Press Council's Annual Report: In its third annual report presented to Parliament on August 29, the Press Council expressed the view that a direct loan by the Government to any newspaper was calculated to impair the freedom of the Press and "is in principle not desirable."

It said that the Council's views were sought by the Government on a tentative decision to grant a loan of Rs. 25,00,000 to the Lokasatta and Janasatta group of Gujarati newspapers. "The Council considered the matter in an emergency meeting and was of the opinion that a newspaper receiving Government loan could not but develop subservience to the policies and principles of the ruling party. That, the Council maintained, would be a very unhealthy and retrograde trend."

The Government accepted the Council's opinion and ultimately decided to discard the proposal of sanctioning the loan.

A long-term solution of the problem of failing newspapers, the Council felt, might be to form a Press Finance Corporation with an independent board with power to help such newspapers.

The report showed that during the year, the Council considered 32 complaints, 29 of which were lodged against newspapers for violation offending against public taste. Fourteen such cases were filed by the State Governments and one by a journalists' association; the rest were preferred by the public. Thirteen complaints involved communal writings. Cases of maligning a community, an institution or an individual numbered five and those of misreporting two. The remaining nine related to other journalistic improprieties.

The Council upheld 11 complaints and rejected eight. Ten were dismissed owing to the failure of the complaints to pursue the cases or furnish necessary particulars.

While considering complaints involving "communal writings," the Council recognized the need for distinguishing objectionable material and inflammatory propaganda from legitimate criticism and ventilation of genuine grievances. It drew up tentatively 10-point "guidelines" to indicate what a newspaper should refrain from publishing. The Council decided to finalize them after ascertaining the views of the National Integration Council.

(**The Times of India,** New Delhi)

[Prev. ref. 8538:INI:J]

R. **Press Registrar's Report:** According to the annual report of the Press Registrar presented to Parliament on August 29, despite a numerical gain of 7.6 per cent in newspapers and periodicals in 1968 over the previous year, the total circulation fell from 25.8 million to 23.4 million during the year.

The total number of newspapers and periodicals rose to 10,019 in 1968 from 9,315 in 1967. There were 636 dailies in 1968 against 588 the previous year, 2,892 weeklies in 1968 against 2,697 in 1967. Tri-weeklies and bi-weeklies, however, registered a decline in 1968 to 51 from 58 in 1967.

The circulation of dailies came down to 6.98 million from 7.03 million in 1967 and the weeklies registered a circulation of 6.15 million in 1968 against 7.05 million the previous year.

Delhi had the largest number of newspapers—1,155. Newspapers published in Hindi were the largest in the country—2,381.

The number of English dailies in the country is 68 with a circulation of about 1.87 million against 182 dailies in Hindi with a circulation of just over a million.

During the year under review, 82 newspapers owned by various political parties were published in the country. The largest number (30) was owned by the Congress, followed by different Communist Parties of India—25, Praja-Socialist Party (5) and others (20).

Twenty-four diplomatic missions in India brought out 103 newspapers and periodicals in 1968 with a circulation of 1,271,000. These publications had 5.4 per cent share in the total circulation of the entire Press in the country.

The Soviet Embassy was the leading publisher of such publications, with 46 journals having a circulation of 652,000 in 1968. The US Embassy was the second with 15 periodicals having a circulation of 514,000; the German Democratic Republic came third with six periodical publications with a total circulation of 35,000.

(**The Times of India** and **The Statesman,** New Delhi)

[Prev. ref. 8538:INI:K]

S. **Fifth Finance Commission's Report:** According to the recommendations of the Fifth Finance Commission presented to Parliament on August 26, an aggregate amount of Rs. 4,266 crores would be transferred to the States during the five-year period beginning April, 1969.

This compared with the aggregate transfer of Rs. 2,886 crores recommended by the Fourth Finance Commission.

The transfer would be through devolution of taxes, duties and grants-in-aid.

The Government had accepted the recommendations of the Commission made in its final report under which a generally higher share of divisible Centre revenues would accrue to the States and the Union Territories. The States would also receive their share in the additional taxation which might be levied by the Centre during the next four years.

According to the Commission's assessment, eight States—Bihar, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Mysore, Punjab and UP would have revenue surpluses totalling Rs. 1,270.80 crores. Of these, Haryana, Maharashtra and Punjab would have a revenue surplus even without any devolution of taxes from the Centre.

The Government "noted" the recommendations of the Commission that "it would not be desirable to maintain the existing arrangements in respect of additional excise duties in lieu of State sales tax formerly levied thereon unless the Central Government, after discussing the matter with the State Governments, can arrive at a general agreement for the continuance of the present arrangements with suitable modifications."

The Commission recommended that the question of the levy of the advertisement tax, its rate structure exemption etc. should be examined by the Government. The question would be examined as recommended. As regards this tax, the Commission expressed the view that there was some scope for raising revenue, It, however, held that in respect of other taxes mentioned in Article 269 of the Constitution, there was hardly any scope in the present circumstances for levying them.

The Commission made a number of comments in regard to the effort at resource mobilization in various States and also made several suggestions in respect of scope for raising revenue by the States.

The precise financial implications were not mentioned in the report, but it was expected that States and Union Territories would generally receive more, while backward and strategic border States like Jammu and Kashmir and Nagaland would receive more as grants-in-aid under the Finance Commission's new scheme of allocation of Central revenues.

As regards income-tax, out of the net proceeds of the tax, a sum equal to 2.6 per cent would be deemed to be the portion attributable to Union Territories. The percentage of the net proceeds of taxes on income, except the portion which represents proceeds attributable to Union Territories, to be assigned to the States would be 75.

Agricultural Revenues:

The Commission suggested streamlining of agricultural income-tax and laid down a number of guidelines to strengthen State resources.

It said that there was a **prima facie** case for the States to get larger revenue from a tax on agricultural income, if for the purpose of determining the rate of assessment on such income, the total income of the assessee, including the non-agricultural income, was taken into account. "Such a procedure will not be open to the objection that the State is levying tax on non-agricultural income."

It felt that the potential yield from a properly devised and enforced agricultural income-tax had been "greatly under-estimated." The present proceeds were hardly an indication of the revenue potential of a proper agricultural income-tax.

Secondly, the Commission referred to States giving exemption to small holdings from payment of land revenue and said that this would cost them (the States) Rs. 78 crores during the Fourth Plan period. "In a country with low national income, trying simultaneously to develop its economy and to provide for better social welfare, it may not be entirely possible to avoid taxation of persons with low income. A part of land revenue may be justified on the ground that the State has to incur considerable expenditure on maintaining up-to-date records of land rights."

States' Share:

Seven States would no longer be entitled to grants-in-aid. These are: Bihar, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Punjab and UP. The rest would get Rs 637.85 crores over the next five years in various proportions.

The States' share of income-tax collections would be worked out in accordance with different formulae laid down by the Commission for

1965-67 (advance tax collections)—which would be paid in three equal instalments from 1971-72 to 1973-74 —and the years 1967-69 when no change in the formula laid down in the Constitution (Distribution of Revenues) Order, 1965, had been suggested.

For the remaining five years until 1973-74, the Commission worked out a separate formula which allots income-tax in various percentages varying from 16.01 per cent in the case of UP and 0.08 per cent in the case of Nagaland. It ruled out payment of all the arrears in a single year to avoid possible strains on the Centre.

Similar formulae were suggested for sharing of excise duties and additional excise duties in lieu of States' sales tax.

At present 75 per cent of the net proceeds of the taxes on income other than those attributable to Union Territories (assumed at 2½ per cent of the net proceeds) are distributed among the States, *the share of each State being fixed at 80 per cent on the basis of population and 20 per cent on the basis of collection.*

The Commission retained the States' share at 75 per cent, but the actual devolution during the *five-year period would be much larger as advance tax collections would also be included in the divisible pool of the year of collection.* The distribution of the States' share was recommended as 90 per cent on the basis of population and 10 per cent on the basis of figures of assessments. It also refixed the share attributable to Union Territories at 2.6 per cent.

The following table shows the amount accruing to the States under the Fourth and Fifth Finance Commissions (both taxes and grants-in-aid) in crores of rupees:

States	Fourth	Fifth	Taxes	Grants
Andhra Pradesh	234.18	339	274.24	65.01
Assam	144.96	195.21	93.24	101.97
Bihar	197.46	407.38	407.38	Nil
Gujarat	121.55	182.75	182.75	Nil
Haryana	39.19	59.61	59.61	Nil
Jammu and Kashmir	66.10	106.84	33.16	73.68
Kerala	188.61	193.43	143.78	49.65
Madhya Pradesh	162.03	274.02	274.02	Nil
Maharashtra	260.38	383.66	383.66	Nil
Mysore	215.42	197.42	179.43	17.99
Nagaland	58.46	80.72	2.77	77.95
Orissa	231.85	250.66	146.01	104.67
Punjab	57.51	89.16	89.16	Nil
Rajasthan	130.41	221.65	170.16	51.49
Tamil Nadu	207.32	295.10	272.29	22.82
UP	373.02	620.12	620.12	Nil
West Bengal	197.41	369.26	296.41	72.62
Total	2885.86	4266.01	3628.19	637.85

Note Of Dissent:

In a note of dissent to the Commission's report, Mr. G. Swaminathan said that if any modifications were to be considered regarding the surplus devolutions to certain States, the "only possible way would be to reduce the States' share of divisible proceeds of income-tax to 65 per cent, and distribute the entire amount among the States wholly on a population basis."

Mr. Swaminathan, a member of the Commission, was of the view that "this method of distribution was advocated by the Second Finance Commission, although not applied by them fully in framing their recommendations."

"This scheme, involving a reduction in the percentage of the States' share of divisible taxes, will thus not result in any reduction of the total amount payable by way of devolutions and grants payable to the States in receipts of grants-in-aid.

"On the other hand, it will only reduce the surplus amounts which would otherwise accrue to certain States beyond what they require to cover their non-Plan revenue gap according to the uniform assessment standards applied by us."

He said that although the scheme of devolutions had been framed with reference to the requirements of the States as worked out by the *Fifth Finance Commission on a uniform basis,* "*it is realised that the* devolutions and grants can cover only a portion of the huge deficits amounting to over Rs. 7,000 crores according to the States' forecasts. Even this has been rendered possible by the inclusion of advance tax collections under the Income-Tax Act and the increase in the Central Government's revenues derived from taxes on income and Central excise, which rose from an annual average of about Rs. 725 crores in the Third Plan period to a figure of Rs. 1,470 crores during the three years from 1966-67".

Referring to the scheme of devolution and grants, he said that "the Finance Commission has to proceed on the basis that the Plan will as far as possible ensure an equitable development in the field of social services, but the expenditure on such services, to the extent to which they become committed after the completion of a Plan, are taken into account in the assessment of expenditure made by the Finance Commission."

(The Times of India and **The Hindustan Times,** New Delhi)
[Prev. ref. 8671:INI:B]

T. **Pre-Nationalization Assessment Of Banking:** A pre-nationalization assessment of banking has shown that there was a steady shrinkage in the number of banks since 1951 against a five-fold increase in bank deposits.

The number of scheduled and non-scheduled banks came down from 566 in 1951 to a mere 91. Bank deposits rose from Rs. 821.6 crores to about Rs. 4,500 crores.

Bank deposits in 1965 constituted 15 per cent of the national income (at current prices) against nine per cent in 1951. In terms of money, bank deposits grew at an average rate of about 16 per cent—from Rs. 908.47 crores in 1951 to Rs. 3,073.36 crores in 1965.

The largest concentration of offices of both scheduled and non-scheduled banks was in seven States. They were (with the number of branches in brackets): Madras (951), Maharashtra (919), Mysore (632), Uttar Pradesh (615), Gujarat (601), Andhra Pradesh (487) and West Bengal (419).

About 90 per cent of the membership of the boards of banks consisted of industrialists and businessmen.

An analysis of the purpose-wise distribution of advances by scheduled commercial banks between 1951 and 1967 reveals that the private banks preferred to serve the organized and established sectors of the economy.

Agriculture, which contributes 45 per cent of the national income, received only 0.3 per cent of bank advances in 1967 against two per cent in 1951. New entrepreneurs were unable to secure adequate credit because the banks did not want to take risk. Small-scale industry, which accounted for nearly 40 per cent of the country's industrial production, received only six per cent of the total bank advances.

The advances to concerns in which the directors had interest amounted to nearly Rs. 150 crores or 10.1 per cent in December, 1967. The big 500 borrowers had cornered nearly 50 per cent (over Rs. 800 crores) of industrial advances.

The expansion of banks was marked in developed regions. Underdeveloped States like Assam had only 67 bank offices or one office for about 213,000 people, Nagaland two offices or one for 205,000 people, Jammu and Kashmir 18 offices or one for 216,000 people and Orissa 89 or one office for 227,000 people.

Review Of Social Control:

A review recently compiled said that social control of banks for about a year had brought to light a number of loopholes in its functioning since it did not operate as an "effective instrument to prevent misuse of bank credit".

It pointed out that social control was essentially an experiment to find out whether commercial bank credit could effectively be used for national development purposes without touching the question of ownership.

The powers of the Reserve Bank of India (RBI) to correct misuse of bank credit were found to be cumbersome in their application. Directives issued to private commercial banks were "not always observed in the spirit in which they were issued."

Bulk of the bank credit meant for agricultural sector was given as fertilizer credit to the State Governments or other institutions. Farmers were not given credit directly as envisaged by the Credit Council of India.

The review added that the powers of the RBI to remove a director were not absolute. Nor could it appoint more than five or one-third of the directors.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 7733:INI:G, 8027:INI:E]

U. **Andhra Pradesh Budget For 1969-70:** The Andhra Pradesh Finance Minister, Mr. K. Vijaybhaskar Reddy presented to the State Assembly in Hyderabad on August 23 a Rs. 12.5-crore deficit Budget for 1969-70.

Revenue receipts were estimated at Rs. 254.79 crores and revenue expenditure at Rs. 267.36 crores.

Mr. Reddy said that of the total expenditure of Rs. 267.36 crores, the State Plan expenditure was estimated at Rs. 15.97 crores and expenditure on the Centrally-sponsored schemes at Rs. 10.73 crores. The balance of Rs. 240.66 crores represented non-Plan expenditure, which also included Rs. 13.83 crores towards cyclone relief measures.

Of the total Central assistance of Rs. 66.87 crores for Plan schemes inclusive of Rs. 25 crores now assumed, credit for 30 per cent of the total assistance had been taken as grant and the balance as loan. This was the pattern of assistance of the Planning Commission from this financial year.

Revenue receipts took into account the additional grants-in-aid from the Centre as a result of the **interim** award of the Fifth Finance Commission and also increased receipts under State share of Central excise duty, taxes on vehicles, sales tax and interest.

Gross borrowing was expected to be Rs. 125.58 crores, of which Rs. 90.31 crores was proposed to be utilized for repayment of old loans. The balance of Rs. 35.27 crores would be utilized for financing the capital programmes, which included temporary ways and means advances and their repayment.

Pending finalization of the Fourth Plan, an outlay of Rs. 87.50 crores had been provided for the 1969-70 Annual Plan. Of this, the plan outlay for Telengana was Rs. 39.14 crores.

The Government proposed to seek additional Central assistance for the Pochampad Project in Telengana, for which a provision of Rs. 6 crores had been made in the Budget.

(**The Hindu**, Madras and **The Times of India**, New Delhi)

[Prev. ref. 8885:INI:C]

V. **Damage By Floods:** The Central Minister for Irrigation and Power, Dr. K. L. Rao, stated in Parliament on August 25 that the recent country-wide floods had caused an overall damage of Rs. 15 crores.

He made identical statements in the Lok Sabha and the Rajya Sabha on the flood situation. The States affected by floods included Andhra Pradesh, Assam, Bihar, Gujarat, Jammu and Kashmir, Kerala, Madhya Pradesh, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal and the Union Territories of Delhi and Manipur. This figure did not include damage of about Rs. 100 crores caused by the cyclonic storm in Andhra Pradesh and untimely rains in Jammu and Kashmir.

He said that severe floods had occurred in Assam, Bihar, Kerala and Orissa. The flood season was not yet over. It generally extended up to the end of September. "We have yet to go through another period of five weeks of Monsoon and hope for the continuance of good rainfall throughout the country without severe floods."

He said that after the experience of 1968 floods, central flood forecasting units had been set up at Gauhati, Balasore, Surat, Patna, Jalpaiguri and Varanasi. The forecasts issued from Patna and Surat had been found to be very useful in making timely arrangements for relief and evacuation operations.

About 52,000 hectares was affected by the Ganges floods every year.

Floods had claimed 822 human lives in the country till August 20. The figures included those killed in the cyclonic storm in Andhra Pradesh in May.

In Assam, Bihar and Orissa 1.1 million people were affected.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8630:INI:R, 9028:INI:J]

INDONESIA

A. **Opposition To Military Pacts:** The Chairman of the Provisional People's Congress, Gen. A. H. Nasution, re-iterated in Djakarta in the last week of July that Indonesia was "always opposed to any military pacts and to the deployment of foreign troops in her territory."

Gen. Nasution, who was answering questions by an **Antara** correspondent on President Nixon's visit, said the US President would certainly undertake to develop the usual American-Asian policies. His visits to Asian countries would, of course, enable him to make direct contacts with Asian leaders.

About defence and security in South-East Asia, particularly following the planned withdrawal of British troops from South-East Asia by 1971, Gen. Nasution said: "We remain confident in our own forces and have never seen surrender." Asia, particularly Indonesia, was still experiencing changes in politics and strategy and was faced with poverty left by hundreds of years of colonial rule. "If has been our principle that every country needs national defence and security which depend on its own people and not on foreign troops. For this purpose every country should maintain political defence with the Government realizing people's aspirations democratically, public security and order, favourable social and economic conditions and a defence system in which people take active part under the guidance of armed forces. We of course need tight international co-operation but reject any military pacts as spelled out by Congress decision."

Answering a question on Viet-Nam and the Paris peace talks, he said that the problem should be settled by the Viet-Namese themselves without foreign intervention. He added that efforts to solve the problem had been making progress, but the way towards its solution was still far away.

Future Of ASEAN:

Meanwhile, President Suharto voiced his conviction that ASEAN (Association of South-East Asian Nations) would gain strength in the future and yield positive results to the benefit of member-States. "Despite the tender age of the Association, there was perseverance and understanding among its members to overcome difficulties."

Speaking at the installation of the new Indonesian Ambassador to Thailand and Singapore in the last week of July, he said: "It is our *principal task to foster the spirit and objective that once imbued the members of the Association to establish ASEAN*". ASEAN was a "medium through which co-operation and mutual assistance should be enhanced."

Economic advancement, in his view, was one of the pre-requisites for stability in the region. It was the task of independent nations to preserve security and establish welfare. Complete freedom could be achieved only if there was harmony between the capacity to preserve peace and the power to generate prosperity.

(Information Service Indonesia)

[Prev. ref. 8823:IND:A, 9116:INI:E]

B. Loan Agreement With USA: Indonesia and USA recently signed a $6.300,000 Loan Agreement to increase cement production in East Java.

The aid, made available following the Scheveningen meeting among Indonesia's creditor-nations, will finance the construction of a fourth wet kiln that will increase annual production from 375,000 to 500,000 tons.

The loan has a repayment period of 40 years including a 10-year grace period. It carries an interest rate of 2 per cent during the grace period and 3 per cent during the next 30 years.

The Government will in turn make available the loan to the cement company, PN Semen Gresik, with a repayment period of seven years including a two-year grace period, carrying an annual interest of 12 per cent. PN Semen Gresik has earmarked an approximate capital of 700 million rupiahs for rehabilitation and promotion programmes.

(The Indonesian Embassy, New Delhi)

[Prev. ref. 8594:IND:A]

C. Nickel Exploration: The Government and the Indonesian Nickel Development Company (INDC), a consortium of nine Japanese companies, signed on July 24 a contract for exploration and exploitation of low-grade nickel deposits in Halmahera.

INDC which will begin surveys in a 38,800-square-km area in October, is to allocate at least $750,000 for surveys and explorations in the first five to seven years and $ 75 million for mining and plants. The company has been given four years to evaluate results of its surveys and construction work and another 30 years for operations.

Fourteen Japanese geologists and mining experts had been assigned to conduct surveys and explorations. The company needed at least six Indonesian experts to help conduct the surveys and about 100 to 300 local labourers.

The contract set corporate taxes at 37.5 per cent in the first ten years of operations and at 45 per cent in the next years.

The company was obliged to train Indonesian workers in the country or abroad so that after the first five years of operations at least 75 per cent of the company's workers comprises Indonesians.

Production capacity was estimated at 1.5 to 2.5 million tons of 1.5 per cent-grade nickel ore, or about 12,000 to 20,000 tons of pure nickel.

(The Indonesian Embassy, New Delhi)

[Prev. ref. 8823:IND:C]

IRAQ

A. Relations With Rumania Frozen: Iraq, which pioneered the recognition of East Germany by the Arab States, on August 18 froze its diplomatic relations with Rumania because of Bucharest's raising of relations with Israel to Ambassadorial level.

The Foreign Minister, Mr. Abdel Karim Sheikhly called in the Rumanian **Charge d'Affaires** and told him that Rumania's action was a "blatant challenge to the rights of the Palestinian people and the will of the Arab nation."

He added that "Rumania's persistence in ignoring the feelings of the Arab people may make co-operation between Iraq and Rumania very difficult."

An official announcement said that Iraq was withdrawing its **Charge d'Affaires** from Bucharest and that it had asked that the Rumanian Ambassador to Iraq, who was in Bucharest, should remain there.

(Baghdad Radio)

[Prev. ref. 8986:IRQ:A]

ISRAEL

A. Relations With Rumania: Israel and Rumania announced on August 17 that effective immediately the status of their diplomatic missions would be raised from Legations to Embassies.

Rumania is the only Communist country in Europe to have maintained diplomatic relations with Israel after the 1967 war with her neighbouring Arab States.

Under normal circumstances, this agreement to establish mutual Ambassadorial relations would have been a routine decision. But in the context of the rising Arab war of attrition against Israel—an effort fully supported by the Soviet Union—this move by Rumania appeared as the latest gesture of defiance towards Moscow.

In 1967, Rumania was the only European Communist nation to refuse to break relations with Israel. Instead, it moved to sign a new Economic Agreement with her. During last June's conference of World Communist Parties in Moscow, President Nicolae Ceausescu had personally fought against a resolution on West Asia denouncing Israel as an aggressor.

(The New York Times)

[Prev. ref. 8277:ISR:H]

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AFGHANISTAN

A. **ADB Assistance:** The Asian Development Bank (ADB) has approved a request by the Government for technical assistance, on a grant basis, in the preparation of four or five small-scale irrigation projects.

The Bank's technical assistance mission will examine and assess the technical and economic soundness of the small-scale irrigation scheme and prepare a project for consideration by the Bank for possible financing.

The Bank team will consist of an irrigation planning expert and irrigation design engineer, a civil engineer, two surveyors, a soil-crop agronomist and a farm irrigation economist.

(ADB Press Release)

[Prev. ref. 7563:INI:R]

CEYLON

A. **World Bank Loan For Development Finance Corporation:** The World Bank has announced a loan of $8 million to the Development Finance Corporation for promoting industrial development in the private sector.

It is the second such loan from the World Bank. The first loan of $4 million was given to the Corporation in 1967 to help expand its activities. The loans are of particular value to the Corporation as they enable it to extend financial support in foreign exchange to private sector enterprise in Ceylon.

These loans supplement credits given by the Bank to the Government (e.g. the recent loan of $21 million for power development) which have been applied to public sector projects.

[The Government-sponsored Development Finance Corporation of Ceylon was set up in 1956 to act as the principal financial institution serving private industry in the Island. Mr. C. Loganathan, for many years General Manager of the Bank of Ceylon, recently took over as head of the Development Finance Corporation.]

(The Ceylon High Commission, New Delhi)

[Prev. ref. 9109:CEY:A]

B. **West German Aid:** An Agreement was signed in Colombo on August 3 under which Ceylon would receive Rs. 37.25 million as aid from West Germany during the current year.

Of this amount, Rs. 22.37 million will be utilized for financing industrial projects to be mutually agreed upon and the balance will be given as commodity aid for the import of fertilizer, commercial vehicles, machinery and equipment for Government corporations and other essential commodities.

The commodity loan is repayable in 30 years, including a grace period of eight years and will bear interest at 2½ per cent.

West Germany has "softened" the terms of the commodity loan in keeping with its policy of giving easy credit terms to developing countries. It has undertaken within the frame-work of the Food Aid Convention of the International Grain Arrangement of 1967 to supply wheat as aid for developing countries. It will gift 10,800 tons of flour (equivalent to 15,000 tons of "soft" wheat) to Ceylon.

(The Ceylon High Commission, Colombo)

[Prev. ref. 8432:CEY:C]

CHINA

A. **Sinkiang Border Clash With USSR:** According to official accounts, Soviet troops crossed Sinkiang frontier in strength and inflicted heavy casualties on Chinese border units on August 13.

The clash occurred near the remote Dzungarian Gates, the traditional invasion route from Asian Russia into China.

According to Peking, Russian helicopters early in the day flew over the border of the Chinese northwestern province of Sinkiang. This heralded an advance by what the Chinese claimed were "dozens of tanks, armoured units and several hundred armed troops".

The Chinese forces were apparently taken by surprise, because the Russians were well over a mile inside Chinese territory before they ran into Chinese border patrols which were "surrounded".

In a protest Note delivered to the Soviet Embassy in Peking, the Chinese Government claimed that the Russians were the first to open fire, "killing and wounding many (Chinese patrol men) on the spot". It made no mention of any casualties inflicted on the Soviet forces.

The protest Note stated: "The situation is developing"—an indication that the fighting was still going on. It alleged that the Russians were "continuing to amass large numbers of troops and tanks in an attempt to provoke still larger armed conflicts".

The Chinese had accused the Soviet Union of two armed incursions into Sinkiang in June, but the latest incident was the most serious, both in terms of the number of troops involved and the casualties admitted by the Chinese.

In recent weeks, Peking had tightened its political control over the remoter areas of Sinkiang, particularly over the minority peoples whose grazing lands lay on both sides of the frontier.

Soviet Protest:

The Soviet Union protested to China about the fresh fighting, claiming that it was a planned provocation by the Chinese and disclosing that two Chinese officers had been taken prisoner.

A protest Note handed to the Chinese Embassy in Moscow said: "Several groups of Chinese servicemen crossed the border into Soviet territory in the Semipalatinsk region of Kazakhstan. In spite of warnings, the violators not only continued to remain on Soviet territory but opened sub-machine-gun fire on Soviet frontier guards".

Stakes In Sinkiang:

Several factors have contributed to raising the stakes along the Sinkiang border. They include:

(1) Chinese nuclear testing sites and other nuclear installations are reportedly situated there, all within striking distance from Russian territory.

(2) The Sino-Soviet dispute over Sinkiang's borders and other issues dates back at least 100 years. Each side has repeatedly attempted to strengthen its influence in the uranium and oil-rich land which is predominantly peopled by Muslim Turkic groups.

(3) Because of the large minority population in Sinkiang—the Chinese number less than 20 per cent of the entire population of some seven million—Peking's control over this region is considered shaky at best. The immigration of Chinese into the area has reportedly raised new tensions.

(4) From the Russian view, Sinkiang's terrain is basically suited to modern, mechanized warfare with Moscow holding a decided communications and logistical advantage. Conversely, because of its sparse and basically non-Chinese population, *Sinkiang is less well suited to Mr. Mao Tse-tung's and Marshal Lin Piao's theories on guerrilla warfare. Furthermore, Sinkiang is flanked on the east by Moscow's ally, Outer Mongolia.*

Sinkiang's history has been turbulent and repeatedly marked by Sino-Soviet competition. The area was conquered by the Chinese Ching (Manchu) dynasty between 1755 and *1759 and was the scene of repeated rebellions by the Turkic peoples. Czarist Russian troops moved into Sinkiang's Ili border region as early as 1871*, sowing the seeds of future discord with the Chinese. The Turkic population again rebelled against the Chinese in 1933 and proclaimed the East Turkestan Republic, which fell a year later after intervention by both the Soviet Union and China. Subsequently, Moscow gained the upper hand before and after World War II and a period of intensive Sovietization resulted.

However, Chinese hegemony was re-asserted in 1949 when Communist troops entered Sinkiang and abolished the pro-Moscow "Eastern Turkestan Republic" which had been established in 1944. Since that time, Peking has gradually tightened its hold; Sinkiang's status was changed to the "Sinkiang-Uighur Autonomous Region" in 1955—with the Chinese Communist Party and Army in command. Peking's policy of moving Chinese settlers into the area, starting in 1952, led to serious problems. (The Chinese have followed this same policy in Inner Mongolia, Tibet and other frontier regions inhabited by minority peoples.)

In September, 1963, an official Peking report alleged that Soviet Party leaders had "carried out large-scale subversive activity in the Chinese province of Sinkiang, provoking the flight of several thousand Chinese citizens to the Soviet Union...." Unconfirmed reports estimated that some 70,000 Uighurs, Kazakhs and other Moslems had fled Sinkiang before the Chinese sealed off the border with troops.

But, it was the Sino-Soviet fighting along the Ussuri River, 2,000 miles to the east across Mongolia, that apparently touched off a running series of accusations hurled by both sides.

Russian Casualties:

On August 15, Russia disclosed that two of its border guards were killed in the August 13 fighting on the Chinese frontier and confirmed that the Soviet side had used armoured vehicles in the clash.

Trud, the trade union newspaper, said that a Soviet sergeant and a private had been killed by Chinese fire while storming a position on a cliff. Several other Russians were wounded during the battle.

Red Star, the Soviet Defence Ministry newspaper, mentioned that Soviet border guards had used armoured personnel carriers to surround the Chinese and drive them off. There was no mention of tracked vehicles or tanks, as alleged by the Chinese.

Red Star added that Soviet troops *had shot a Chinese who was about* to fire a granade at them, detonating his grenade and killing him.

Chinese Rejoinder:

Peking Radio reported on August 15 that following the latest clash on the Sinkiang-Kazakhstan border, the Soviet authorities had driven out Soviet inhabitants from areas near the boundary, and created a "no man's land," 20 km in width.

Simultaneously, according to the **Radio**, the Soviet authorities kept sending heavy re-inforcements to the Sino-Soviet and Sino-Mongolian borders, conducted all kinds of military exercises and were constructing strategic highways and railways in areas adjoining the Chinese borders.

The **Radio** repeated that war measures were in full force on the Soviet side of the border. Marshal Andrei Grechko, the Soviet Defence Minister, and Marshal Yakubovsky, Commander of the Warsaw Pact forces, were singled out for threatening to unleash a nuclear war on China.

In Sinkiang itself, the threatened autonomous territory in the heart of Central Asia, Mr. Saifuddin, Chairman of the Sinkiang Revolutionary Committee, warned that the PLA troops and local population were keeping a close watch, and would mete out severe punishment to Soviet armed provocations. Mr. Saifuddin had accompanied Mr. Mao Tse-tung on his visit to Moscow in 1949 to sign the Treaty of Friendship and had emerged unscathed from several attacks launched against him by counter-revolutionaries during the Cultural Revolution.

Peking Radio said that demonstrators had vowed that the whole population in Sinkiang (a large majority of whom are Muslims, with only 1,600,000 of Chinese origin) were "determined to defend every inch of the sacred territory of China, and resolutely and thoroughly wipe out any aggressor who dares to invade us."

New Protest Note To USSR:

China sent a new protest Note to Russia on August 19, warning her that she would be held responsible for grave consequences if all intrusions and provocations did not stop immediately.

The Note, delivered to the Soviet Embassy in Peking, and the Chinese Government protested energetically at violations of Chinese territory, territorial waters and air-space by Soviet troops, ships and aircraft in June and July.

The Note said that in spite of protests made by Peking on June 6 and 11 and on July 8, the Soviet side had created 429 incidents along the Sino-Soviet border during June and July. Thousands of bursts had been fired by Soviet machine-guns, three Chinese frontier guards had been wounded and 40 air reconnaissances had been carried out by Soviet planes across the border.

It alleged that Soviet troops had on many occasions penetrated into Chinese territory, built military structures, installed telephone lines, constructed road, dug trenches and erected boundary marks in the Autonomous Sinkiang-Uighur Region.

The Chinese also claimed that during the two-month period, Soviet troops in the Chilichin Island area and the Wupalao Island area on the Amur River had opened fire daily across Chinese territory. They blamed the Russians for "aggravating border tension while talking peace".

The Note accused the Soviet Union of provocations against Chinese ships during recent talks between the two countries on their border rivers. Moscow announced earlier in the month that the two countries had reached agreement on border rivers. (Moscow announced seven weeks of secret talks in the Soviet city of Khabarovsk.)

During the talks, the Note said, the Soviet side had repeatedly sent out its gunboats to carry out "all sorts of provocations against Chinese civilian vessels on normal navigation along the main channels of the Heilung and Wusuli Rivers, seriously manacing the safe navigation of Chinese vessels."

Russian Denial Of Allegations:

Krasnaya Zvezda, the Soviet Defence Ministry newspaper, said on August 19 that Chinese allegations about Soviet plans to invade China were "absurd and completely untruthful."

In an editorial on its front page, the paper also said that Peking's campaign to mobilize its people for possible war with the Soviet Union was a political move and hardly constituted a serious threat to the Soviet people. "It goes without saying that the distance is very great between the loud statements and the real possibilities of the Peking adventurers."

The editorial underscored the Soviet Government's efforts to prevent a war scare developing among the Soviet population in the wake of the border clash with China in Central Asia, which apparently was the sharpest since last March's clashes along the Ussuri River in the Far East.

"Pravda" Charge Over Mongolia:

On August 14, the Soviet newspaper, **Pravda,** accused China of setting up a reign of terror in Inner Mongolia and of harbouring territorial ambitions with regard to the Mongolian Republic—but made no further comment on the fighting with the Chinese on the Kazakhstan-Sinkiang border.

Pravda called for improvements in civil defence organizations in Kazakhstan, without, however, specifying the danger of a Chinese invasion.

A **Pravda** correspondent who recently visited the Mongolian Republic quoted a Mongolian senior official as saying that China "is continuing the old anti-Mongol policy of the Manchu-Chinese oppressors and more recently, the Japanese and Kuomintang militarists."

It said that Chinese anti-Soviet propaganda directed at Mongolia had become "still more challenging" this year with the convening of the International Communist Conference in Moscow. (Mongolia was the only Asian country with a ruling Communist Party which was represented at the Conference.)

During 1968 alone, **Pravda** said, nearly 30,000 Chinese propaganda publications were distributed in the Mongolian Republic—some of them even printed in Esperanto and some smuggled into the country in medicine crates. It accused China of planning to incorporate the Soviet Mongolian Republic into her own territory, as well as the province of Inner Mongolia.

It added that Peking had tried to undermine the authority of the Mongolian Government by hindering the transport of flour supplies sent as aid from Mongolia to North Viet-Nam.

More than 90 per cent of party and administrative officials, writers and other scientific and cultural workers in Inner Mongolia had been removed from their posts during the Cultural Revolution. Valuable books and pictures relating to Mongol history had been burnt.

Khabarovsk Talks Conclude:

An official announcement in Moscow said on August 8 that Sino-Soviet talks on border river navigation had ended in Khabarovsk earlier in the day with the signing of a Protocol and Agreement to hold the next round in China in 1970.

The official news agency **Tass** also said the two sides had agreed on measures to improve the shipping situation on their troubled frontier rivers.

The talks, the first face-to-face meeting between Soviet and Chinese negotiators in two years, had begun on June 18. They represented the 15th meeting of a Joint Soviet-Chinese Commission set up in 1951—when relations between the two countries were good—to control shipping problems along the Big Amur, Ussuri, Argun and Sungachi border rivers, economically important to both countries (see page 9062).

The signing of the Agreement came exactly a month after the last Sino-Soviet clash in China's far north-east. It occurred when, according to the Chinese, Soviet frontier troops "flagrantly intruded" into a Chinese island on the Amur called Pacha, which the Russians call Goldinsky.

Nothing was immediately said about the contents of the Agreement, except that the two sides had agreed "on measures to improve the shipping situation."

However, according to observers, there was every likelihood that the Agreement was narrowly technical in character, since even when relations between China and Russia were good they were seldom able to achieve anything in common in this region. Thus, Sino-Soviet agreements for construction of flood control works on the Amur signed in 1957 and 1958 remained a dead letter. Nor had the two countries been able to agree to hold the more important talks proposed by Moscow after the serious frontier clashes last March, with a view to ending such incidents and demarcating the border's unsettled sections.

(**The Times,** London, **The New York Times, Tass, The Times of India,** New Delhi and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 9085:CHI:B, 9098:CHI:A]

FORMOSA

A. **Cabinet Re-shuffle:** President Chiang Kai-shek announced on June 25 a re-shuffle of his Cabinet Ministers shortly after approval was obtained at a meeting of the Central Standing Committee of the ruling Kuomintang.

Mr. Chiang Ching-kuo was appointed Vice Prime Minister in the re-shuffled Cabinet.

Other Ministers involved in the re-shuffle were:

Mr. Huang Chieh, Governor of Taiwan, replaced Mr. Chiang Ching-kuo as Defence Minister;

Mr. K. T. Li, Economic Affairs Minister, succeeded Mr. Yu Kuo-hua, who was appointed Governor of the Central Bank, as Finance Minister;

Mr. S. Y. Dao, Secretary-General of the Council for International Economic Co-operation and Development, replaced Mr. K. T. Li as Economics Minister;

Mr. Choong Kow-kwong, Vice-Education Minister, replaced Mr. Chen-hsing, who was named President of the National Tsing Hua University, as Education Minister.

Army Chief Chen Ta-ching was appointed Governor of Taiwan province.

Mr. S. K. Huang, Vice Prime Minister, will serve as Secretary-General of the National Security Council.

(**Free China Weekly,** Taipeh)

[Prev. ref. 8124:FOR:A]

B. **Economic Growth:** According to an official estimate, Formosa's economic growth rate in 1969 will reach nine per cent.

The minimum annual economic growth rate in the 1969-72 period of the Fifth Four-Year Economic Development Plan has been set at seven per cent.

The estimated nine per cent growth in 1969 is based on the industrial output and economic progress achieved in the first half of the year.

Statistics show that demands from home and abroad for industrial pro-

ducts increased greatly in that period. The demand for transportation equipment, electrical appliances, housing and clothing increased in the domestic market. The main products exported included textile, electronic parts and components, machinery and plywood.

Industrial production scored a growth rate of 20 per cent. Except for a very few items, all industrial output registered increases.

All State-operated enterprises registered gains in net profit. The Chinese Petroleum Corp. netted $30 million—an increase of 31 per cent over the first half of last year.

The economic growth rate in the last four years was 10.5 per cent, second only to Japan. The rate was 3.5 per cent higher than that set in the Fourth Four-Year Economic Development Plan, 1965-68.

New Fertilizer Plant:

The Taiwan Fertilizer Corporation is planning to establish a liquid ammonia plant to boost chemical fertilizer production for domestic and international markets.

Mr. Chen Tseung-jen, President of the Corporation, said on August 8 that the project was a joint venture of the Chinese Petroleum Corporation and the Kaohsing Sulphate Corp. It will reduce the cost of fertilizer for domestic farmers and sharpen the competitive edge in international markets.

The price of fertilizers has been dropping since 1963 as a result of the long-term policy of the Fertilizer Corporation, while the production of fertilizer has been increasing owing to modernization of equipment and plant expansion. Production in 1968 totalled 590,000 metric tons, an increase of 35 times compared with 20 years ago.

The target for 1969 has been set at 795,000 metric tons. This will consist of 180,000 metric tons of calcium phosphate, 110,000 metric tons of compound fertilizer, 25,000 metric tons of ammonia phosphate, 170,000 metric tons of urea, 240,000 metric tons of ammonia sulphate and 70,000 metric tons of calcium nitrate.

(Free China Weekly, Taipeh)

[Prev. ref. 8124:FOR:B.]

INDIA

SUMMARY: Indo-Nepalese Talks; Supreme Court Order On Bank Nationalization; Rupee Debt; Telengana Leaders Released; Tea Workers' Strike.

A. **Indo-Nepalese Talks:** Official talks between India and Nepal were held in New Delhi on September 2, 3 and 4. The Nepalese delegation was led by the Foreign Minister, Mr. Yadunath Khanal.

Among the topics discussed was a Nepalese demand, made earlier on June 24 by her Prime Minister, Mr. K. Bisht, for the pull-out of the Indian Military Liaison Group and wireless operators stationed on Nepal's northern border check-posts (see page 9062). The Military Liaison Group consists of 23 Indians, 17 Nepalese, about 30 clerks, orderlies, batmen and ancillary personnel. The total member of Indian wireless operators attached to the check-posts is about 75, ranging from two to five men at each of the 17 posts. No decision, however, was taken and the officials on both sides merely drew up recommendations to be submitted to their respective Governments for consideration.

A Joint Statement issued on September 4 emphasized the identity of interests between the two Governments and peoples.

The talks, originally planned to end on September 3, were deadlocked over the new measures the two Governments should take to satisfy mutual defence and security interests. India wanted the pulling out of its wireless operators from Nepal's northern border and the Military Liaison Group from Khatmandu to be followed by appropriate Nepalese steps aimed at eliminating possible security risks for India.

The two sides agreed that "the very close and extensive co-operation between the two Governments was of benefit to both countries and that it should be further strengthened in their common interest."

The Joint Statement broadly indicated that the officials had made "joint and several" recommendations to their respective Governments for their consideration and approval.

The Statement said: "The two delegations held detailed discussions in an atmosphere of complete understanding, mutual trust and friendship. The discussions covered a wide range of subjects of common interest to both countries in the fields of economic relations, trade and transit, irrigation and power location of boundary, defence and security. Joint and several recommendations were made by both delegations on all these subjects to their respective Governments for consideration and approval. It was noted that some speculative Press reports had appeared which were unauthorized and incorrect.

"The two delegations agreed on the identity of interests between the two Governments and peoples in various fields, based on mutual respect for each other's territorial integrity and sovereignty and mutual understanding, trust and confidence. They agreed that the very close and extensive co-operation between the two Governments was of benefit to both countries and that it should be further strengthened in their common interest. The close historical, geographical, cultural, economic and political relations existing between India and Nepal through the ages have been further strengthened in recent years and both delegations expressed their confidence that these would be still further strengthened in the years to come.

"It was agreed that meetings at various levels should be held periodically between the two sides to resolve any difficulties that may arise between the two countries in the implementation of their policies and programmes. The two delegations expressed their satisfaction at the conclusion of the talks and the friendly atmosphere in which they were conducted. The Nepalese delegation thanked the Indian side for their warm hospitality, understanding and close co-operation."

(The Times of India and **The Hindustan Times,** New Delhi)

[Prev. ref. 9123:NEP:B]

B. **Diplomatic Appointments:** Mr. Ashok B. Bhadkamkar, Joint Secretary in the Ministry of External Affairs, has been appointed High Commissioner in Canada in succession to Gen. J. N. Chaudhuri, who will be retiring shortly.

Mr. Prem Shanker, Counsellor to the Indian Embassy at Algiers, has been appointed as Ambassador to Guinea in succession to Mr. Rajkumar Raghunath Sinha.

(The Times of India, New Delhi)

[Prev. ref. 4721:INI:H, 7102:INI:G]

C. **Banks' Nationalization—Supreme Court Order:** A Bench comprising all the 12 Judges of the Supreme Court directed the Union of India on September 9 not to remove the Chairmen who were Custodians of the 14 nationalized banks, pending disposal of the writ petitions filed in the matter.

The Court further directed the Government of India not to give any directions to the banks contrary to Section 35(a) of the Banking Regulation Act.

It also recorded an assurance by the Attorney-General, Mr. Niren De on behalf of the Union of India that the powers conferred by Section 13 (3) (b) of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1969, which empowers the Central Government, after consultation with the Reserve Bank of India to make a scheme for the reconstitution of a nationalized bank into two or more corporations or amalgamation of a bank with any other new bank or any other banking institution, would not be enforced.

The above order was passed by the Court on an application for stay moved by Mr. N. A. Palkhivala on behalf of Mr. R. C. Cooper, a depositor, shareholder and director of the Central Bank of India.

The Court issued a **rule nisi** on the Union of India to show cause why the Act nationalizing the 14 banks should not be declared invalid.

Banking Department Created:

It was officially announced in New Delhi on September 3 that a Department of Banking had been created in the Finance Ministry by a Presidential order amending the allocation of Governmental business.

This marked an important follow-up to the nationalization of major commercial banks. Carved out of the Department of Economic Affairs, the new Department will exclusively deal with the banking system.

The Department of Banking will be in charge of all Indian banks, including the non-nationalized ones, foreign banks, the Reserve Bank of India, co-operative banks, financial institutions and chit funds.

Mr. A. Bakshi, Deputy Governor of the Reserve Bank, was appointed Secretary of the Department of Banking. He took charge on September 8.

The Finance Ministry will have three other departments—Economic Affairs, Expenditure, Revenue and Insurance.

(**The Statesman**, New Delhi)

[Prev. ref. 9113:INI:C]

D. Debts Of Central Government: According to official figures, the Central Government's debts including market loans and foreign borrowings totalled Rs. 10,241.03 crores as on March 31 this year.

The market loans were to the tune of Rs. 3,922.86 crores and treasury bills Rs. 2,244.34 crores. PL 480 deposits amounted to Rs. 581.40 crores and income annuity deposits to Rs. 135.74 crores.

Foreign loans taken by India totalling Rs. 6,167.07 crores are classified into: (1) loans repayable directly in foreign currency, (2) those repayable through exports of goods and (3) those repayable in rupees.

Loans repayable directly in foreign currency totalled Rs. 3,984.06 crores, USA topping the list with Rs. 1,683.25 crores, followed by West Germany (Rs. 419.8 crores) and International Development Association (Rs. 669.24 crores).

In the second category of loans repayable through export of goods, India's debts totalled Rs. 485.47 crores. The country-wise break-up is: Czechoslavakia Rs. 50.54 crores, Poland Rs. 16.92 crores, Soviet Union Rs. 395.59 crores and Yugoslavia Rs. 22.42 crores.

Loans repayable in rupees amounting to Rs. 1,697.54 crores were to the following countries: Denmark Rs. 0.86 crores, United States Rs. 300.24 crores, US PL 480 loans Rs. 1,396.44 crores.

The State Government's debts totalled Rs. 1,060 crores (market loans), Rs. 5,509.84 crores (loans from the Central Government), Rs. 216.82 crores (loans and advances from the Reserve Bank of India) and Rs. 162.39 crores (other debts).

(**The Times of India**, New Delhi)

[Prev. ref. 8709:INI:G, 9134:INI:E]

E. Rupee Debt: According to a Reserve Bank bulletin on September 3, outstanding marketable rupee debt of the Central and State Governments as on March 31, 1968 stood at Rs. 4,408.2 crores, showing an increase of Rs. 32.6 crores over the year compared with the increase of Rs. 222.4 crores during 1966-67.

Of the increase of Rs. 232.6 crores during 1967-68, Rs. 169 crores was in Central Government securities and Rs. 63.6 crores in State securities. Total outstanding marketable rupee debt constituted 16 per cent of the national income in 1967-68 as against 18 per cent in 1966-67 and 19 per cent in 1965-66.

The total marketable rupee debt of the Centre and the States formed 39 per cent of the total rupee debt of the Central and State Governments as on March 31,1968 (excluding inter-Government debt). This proportion had declined earlier from 45 per cent at the end of March,1961 to 40 per cent at the end of March, 1967. This downtrend was a sequel to a smaller increase in marketable debt from Rs. 2,784 crores in March, 1961 to Rs. 4,408 crores at the end of March, 1968 than in total rupee debt (excluding inter-Government debt) from Rs. 6,215 crores in March, 1968.

(**The Times of India**, Bombay)

[Prev. ref. 8218:INI:A, 8901:INI:P, 9134:INI:E]

F. Unaccounted Money Recovered: According to official figures released in New Delhi on September 5, the Central Government recovered Rs. 411.17 crores in its efforts to unearth hoarded wealth or black money from 1947-48 to 1967-68.

Although no reliable data of the extent of concealed income was available, both in agricultural and non-agricultural sectors, the history of the cases detected and unaccounted income recovered clearly indicated that substantial evasion of tax takes place in the country.

The Income-tax Investigation Commission, which was appointed in 1947, investigated over 1,000 cases and detected unaccounted income of Rs. 48 crores under the voluntary disclosure scheme of 1951. About Rs. 70 crores of unaccounted income was disclosed in 20,912 cases.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 6260:INI:V, 7882:INI:J]

G. Telengana Leaders Released —Andhra Pradesh High Court Order: Dr. M. Chenna Reddy, Mr. Konda Lakshman Bapuji and 15 other Telengana leaders were released in New Delhi on August 25 following the Andhra Pradesh High Court's ruling that their detention was illegal.

They were among the 38 Telengana leaders whose **habeas corpus** petitions were allowed by a Division Bench of the High Court, saying that the grounds of detention were vague.

The High Court's orders for release of the detenus, given in Hyderabad, were conveyed by the Andhra Pradesh Government to the Superintendent of the Tihar Central Jail, New Delhi. Seventeen of the detenus had been brought to the Capital earlier to be present when the Supreme Court heard the State Government's appeals against an earlier High Court order directing that they be produced before it when their **habeas corpus** petitions were heard.

The State Government had on August 24 ordered the release of 23 Telengana detenus. With the release of these detenus, about 100 Telengana Praja Samithi leaders held under the Preventive Detention Act had been freed.

The Andhra Pradesh High Court dismissed the State Government's petition for obtaining leave to appeal to the Supreme Court against the High Court's order to release the detenus. The Court also rejected applications for a stay of the judgment releasing the detenus.

Mr. K. Brahmananda Reddy's Statement:

The Andhra Pradesh Chief Minister, Mr. K. Brahmananda Reddy, announced in the State Legislative Assembly on September 5 that the State Government had ordered the release of all persons held under the Preventive Detention Act in connexion with the Telengana agitation.

He also announced the withdrawal of arrest warrants under the Act against all persons in connexion with the agitation.

He said that 14 persons held under the Preventive Detention Act had so far been released on the orders of the State High Court. The Government, on its own, had released 35 people. Seventy-four persons still being held under the Act were being released. Arrest warrants pending against 15 people were withdrawn.

The decision to release the remaining detenus, he said, was taken in response to a resolution passed by the Telengana Regional Committee recently.

Supreme Court's Verdict:

Also on August 25, the Supreme Court dismissed as "infructuous" a batch of 17 appeals by the Commissioner of Police, Hyderabad, against the Andhra Pradesh High Court order for production in court of Dr. M. Chenna Reddy and other Telengana leaders.

The Andhra High Court had passed the impugned orders on the **habeas corpus** petitions by the Telengana leaders against their detention under the Preventive Detention Act after rejecting the State Government's plea that such production would create a law and order problem in Hyderabad.

The Supreme Court had admitted the Hyderabad Police Commissioner's appeals and granted stay of operation of the High Court orders and directed early hearing of the appeals.

When the appeals came up before the Supreme Court, counsel for the appellant informed the Court that the Andhra High Court had passed orders earlier in the day allowing the **habeas corpus** petitions of the 17 detenus who were respondents before the Court and directed their release. The Court then passed an order saying that "in these circumstances it is obvious that the appeals have become infructuous and they are therefore dismissed."

Jurists' Committee's Report:

The Jurists' Committee set up by the Government of India in April, 1969 to go into the feasibility of continuing the safeguards for the Telengana people in the Services of the Andhra Pradesh Government said in its report that there was no obvious legal or constitutional way of doing so.

The Committee conceded the theoretical possibility of an amendment to Article 16 of the Constitution to protect the safeguards.

But, it observed that in view of the Supreme Court's **judgment in** the Golaknath's case, i.e. that Parliament had no right to amend the Fundamental Rights, even such a course was ruled out.

The Committee re-affirmed the Supreme Court's view on the untenability of these safeguards for people of "part of a State or Union Territory." Such reservation could be made only for the people of a whole State or Union Territory.

It added: "In view of the interpretation placed by the Supreme Court on Article 16(3), it is no longer possible to make a law or rule prescribing residential qualification in a part of a State for public appointments within that part. Any law or rule so made would be bad and would be liable to be struck down as **ultra vires** the Constitution."

Headed by Mr. K. N. Wanchoo, a former Chief Justice of the Supreme Court, the Committee comprised Mr. M. C. Setalwad, former Attorney-General and Mr. Niren De, the present Attorney-General.

Two Meetings:

A serious split in the ranks of the legislators who believe in an integrated Andhra Pradesh came to light when they held two parallel meetings in Hyderabad on September 6.

One was an All-Party Convention of Telengana Legislators and Members of Parliament convened by Mr. V. B. Raju, who resigned from the State Ministry recently, Mr. J. Chokka Rao, Chairman of the Telengana Regional Committee, and other Telengana leaders.

The second meeting was convened by Mr. Purgi Rami Reddy, MLA and Chief Whip.

Mr. Akbar Ali Khan, MP, presided over the Convention, and the former Minister, Mr. B. V. Gurmurthy, over the other meeting.

The Convention was open to the public, but the other meeting was only for like-minded Telengana MLAs.

The Press reported the proceedings of the Convention, but those of the meeting came to be known only through a Press release late at night. Forty-nine MLAs, 12 MLCs and 10 MPs attended the Convention. According to the Press release, 52 MLAs and five MLCs—all Congressmen—of Telengana attended the meeting.

The discussions at the Convention were inconclusive and were continued on September 7. But the other meeting, "having carefully considered the present situation in the region," recommended immediate solutions to outstanding issues. Generally speaking, the issues were about Telengana surpluses, services and recruitment opportunities.

(**The Hindu**, Madras, **The Times of India**, Bombay and **The Statesman**, New Delhi)

[Prev. ref. 8899:INI:L]

H. **West Bengal Cabinet Portfolios Re-allocated:** Re-allocation of portfolios in the West Bengal Cabinet was announced in Calcutta on August 21 following the resignation of three Ministers.

The Food portfolio held by Mr. Sudhin Kumar went to Mr. Prakash Roy (CPI—M), Minister for Fisheries, while Co-operation, which was held by Mrs. Renu Chakravarty (CPI), was transferred to Mr. Biswanath Mukherjee.

Tourism, which was under the Minister of State, Mr. Barada Mukutmani (Bolshevik Party), was taken over by the Chief Minister, Mr. Ajoy Mukherjee.

The three Ministers who resigned were non-legislators and they would have completed six months in office on August 24.

It was also announced that the CPI(M), which at present holds nine portfolios, would give up one to be combined with Tourism and entrusted to another Minister.

There would be no expansion of the Cabinet, whose strength fell to 28.

(**The Statesman**, Calcutta)

[Prev. ref. 8850:INI:N]

I. **Tea Workers' Strike In West Bengal:** A tripartite agreement was signed in Calcutta on September 2 to end a 17-day-old strike in West Bengal's tea industry.

According to the terms of the agreement, the tea gardens will not further reduce the number of workers from the January 1 level, and will replace the permanent staff who will either die or retire and add to the present complement by

20 to 35 workers, depending on the size of the estate (estimated in trade union circles at about 7,000).

Secondly, workers will get an immediate **interim** wage rise of 20 paise a day, of which six paise represent dearness allowance, an **ad** hoc grant of Rs. 10 each and another interim rise next year, should a suitable machinery proposed to be set up by the Government to decide the wage issue fail to complete its job by 1970.

A few other points agreed upon related to supply of food rations at concessional rates to resident temporary workers and payment of cash compensation to such other workers living outside the estate and to certain grievances of the clerical staff in respect of increment and pay packet.

The strike, that had affected 138 gardens in Darjeeling and 188 in Jalpaiguri district, and about 200,000 workers, involved at least one fundamental economic issue typical of a traditional agro-industry operating in a developing economy and having to face growing external competition. This was the one relating to the land-labour ratio of employment in the tea gardens, one of its peculiar features being a rough system of employment and payment of wages, taking the family as the unit.

The strike cost the country's exchequer Rs. 250,00,000 in foreign exchange.

The loss in production amounted to 70,00,000 kg. of tea worth about Rs. 420,00,000.

The workers' lost Rs. 70,00,000 in wages.

(The Statesman, Calcutta)

[Prev. ref. 7178:INI:P]

J. Floods In UP: The UP Revenue Minister, Mr. Chaturbhuj Sharma, stated in the Vidhan Sabha in Lucknow on August 29 that floods in 30 districts of the State had caused a loss of about Rs. 72 crores and claimed 32 lives.

Seven Congress members referred to the flood havoc in their regions and demanded that the victims should be exempted from land revenue. Complaints about malpractices by officials in distributing **taccavi** were also made.

The Chief Minister, Mr. C. B. Gupta, and the Revenue Minister, who made an aerial survey of some of the flood-hit eastern districts, emphasized that members should also seek assistance of non-official agencies. They, however, assured the House that all possible efforts would be made to provide relief to the flood-hit victims.

(National Herald, Lucknow)

[Prev. ref. 4803:INI:G]

K. Increase In Pensions: The Prime Minister, Mrs. Indira Gandhi announced in the Rajya Sabha on August 26 an **ad hoc** increase in pensions by Rs 10 for pensioners getting up to Rs. 200 a month.

The increase took effect from September 1.

She said there would be necessary marginal adjustments for those drawing slightly above Rs. 200 a month.

(The Times of India, New Delhi)

L. Cigarette Consumption During 1967: According to official estimates, Indians puffed away 54,372 million cigarettes in 1967.

This was 8,579 million more compared to 1964, when 45,793 million cigarettes were consumed in the country.

Rajasthanis, who are credited with loving the traditional "hukah", consumed the least number of cigarettes with 761 million or 1.4 per cent of the total consumption in the country. Kerala, where bidi is more popular, smoked only 3,154 million or 5.8 per cent.

The highly industrialized West Bengal topped the list in cigarette consumption with 6,689 million or 12.3 per cent, closely followed by Tamil Nadu with 6,525 million (12 per cent).

Consumption of cigarettes (in million for other States, with percentage of the total in brackets) was: Andhra Pradesh 2,828 (5.2); Assam 1,903 (3.5); Bihar 2,556 (4.7); Gujarat 1,631 (3); Jammu and Kashmir 1,468 (2.7); Madhya Pradesh 2,284 (4.2); Maharashtra 6,254 (11.5); Mysore 2,828 (5.2); Orissa 971 (1.8); Composite Punjab 5,275 (9.7); Uttar Pradesh 5,710 (10.5); Union Territories 3,535 (6.5).

(The Hindustan Times, New Delhi)

IRAQ

A. Spies Executed: Fifteen persons convicted of being Israeli spies were executed in Baghdad on August 25.

Five soldiers and a police officer were shot by a firing squad while the other nine were hanged inside the central prison.

They had been convicted by the Revolutionary Court of spying for Israel and the US Central Intelligence Agency.

Two of those executed were Jews, four were Christians and the rest Muslims.

The executions brought to 51 the number of the people hanged and shot in Iraq this year as Israeli spies.

(Baghdad Radio)

[Prev. ref. 8986:IRQ:C]

B. Iraqi Nationals Recalled From Lebanon: The Iraqi Embassy in Beirut ordered on August 30 an estimated 15,000 Iraqis in Lebanon to return home within 24 hours.

A statement by the Embassy threatened legal action against any one disobeying the order.

The Embassy spokesman said that the continuance of Press attacks by some Lebanese papers on Iraq was one reason for the Iraqi Government's decision to recall its nationals.

(Baghdad Radio)

ISRAEL

A. West Asia Fighting: There was more frequent fighting between Israeli forces on the one hand and her Arab neighbours on the other during the period from August 15 to September 2. Commando units of El Fatah were also active.

Egypt and Israel exchanged sporadic small arms and artillery fire across the Suez Canal on August 15.

Israeli security forces arrested 90 persons and seized nine arms caches in the second week of August in Israeli-occupied Arab towns, including east Jerusalem. The police said the arms belonged to El Fatah and the Palestine Liberation Organization. The 90 arrests were connected with the seizures, following information received.

Syrian and Israeli forces clashed for 45 minutes in the southern sector of their front on August 15.

An Israeli soldier was killed during a ten-minute clash between Jordanian and Israeli forces in the southern Jordan valley on August 15.

An Israeli mobile patrol was ambushed at Beityussif settlement in the Northern Valley on August 15.

Both on August 15 and 16, Israeli and UAR guns fired across the Suez Canal in a series of exchanges. Small arms and mortars were used in clashes which went on for seven hours during the night along a 50-mile stretch of the Canal.

These were followed by several artillery exchanges, the latest in an area north of the Great Bitter Lake on August 16.

Seven Arab guerrillas were killed in two clashes with Israeli troops in the Jordan Valley and the Arab desert on August 16. Two commandos were believed to have been wounded in the clash.

An Assifa sniper of El Fatah killed an Israeli soldier at West Jinaida in the northern Jordan Valley.

On August 17, Israeli planes made a dusk attack on Egyptian artillery positions in the Deversoir region of the Suez Canal. Israeli planes attacked Egyptian positions and silenced Egyptian guns before returning safely to base.

The air raid was directed against Egyptian gun emplacements which had shelled Israeli posts north of the Bitter Lake the previous afternoon.

An Egyptian military spokesman in Cairo said that Israeli planes *were intercepted by Egyptian anti-aircraft guns which forced them to flee. Egyptian gunners silenced enemy gun posts which tried to shell Egyptian troops in the Deversoir area, at the entrance to the Bitter Lake,* and "the enemy suffered heavy losses in personnel and equipment." There were no casualties among Egyptian troops.

An eight-hour sporadic exchange by artillery and tanks between Egyptian and Israeli troops in both the southern and central sectors of the Suez Canal ended early on August 17.

An Israeli war-plane was shot down over the Suez Canal on August 19 in an air strike and the pilot parachuted to safety.

The Israelis said that the air strike lasted 20 minutes and did not say immediately whether their aircraft was shot down by a UAR fighter or anti-aircraft fire.

Arab gunners in Jordan launched a rocket attack on two Sea of Galilee settlements on August 23.

Correspondents on the spot reported that the rockets had slightly damaged several buildings at the Beit Zera settlement, four km south of the Sea of Galilee. The Degania settlement, one km to the north, also came under fire, but there was no damage.

Israeli and Egyptian heavy artillery positions exchanged fire over the southern sector of the Suez Canal early on August 23.

Israeli and Jordanian troops fought a 70-minute duel across Jordan valley on August 23.

Israeli jets blasted Arab guerrilla bases in Jordan on August 26 after Jerusalem had suffererd its first rocket attack since the six-day war in June, 1967. The planes took off at dusk to strike at bases in the Safi region about three km south of the Dead Sea. An Israeli military spokesman said that they met slight anti-aircraft fire during a 20-minute attack, but all returned safely to base.

The Katamon and Talpioth residential quarters of Jerusalem were hit by two Soviet-built Katyusha rockets on August 26. There were no casualties. Within hours, an Israeli military helicopter searching for the point of attack discovered a nest of 16 Katyusha launcher pads on a rocky hillside four km south-east of Jerusalem. Thirteen of the rocket launchers were still armed. Three explosions had been heard in the city.

Israeli commandos struck at an Egyptian military camp in the Nile valley on August 27 in what was believed to be the deepest raid yet into Egypt.

An official Army announcement issued in Tel Aviv said that the raiding party mortared the camp near the town of Mankabad, some eight km west of Asyut. All raiding units returned safely.

The announcement said that the raid followed "continuous violations of the cease-fire by Egyptian forces."

An Israeli civil aircraft was hit by small arms fire from Lebanese territory while spraying crops near Metulla in northern Israel on August 27.

An Arab commando organization said on August 31 that its units had blown up an Israeli military installation in the Gulf of Suez in a midnight raid.

A spokesman for the Arab organization of Sinai said that Israeli tanks and artillery trying to interfere in the operation were bombarded with heavy rockets and the Israelis sustained heavy losses in men and equipment. The raid left installations burning and all attacking units returned safely to the base.

The raid was believed to be in retaliation for the previous Israeli raid near Assyutin, Upper Egypt.

Syrian gunners shelled Israeli targets along the cease-fire lines during the night of August 31-September 1 for the first time since the June, 1967 war more than two years ago. The Syrians used 22-mm guns to fire on targets to the east of Kuneitra, but without causing casualties or damage.

Military experts in Tel Aviv said that although there had been repeated incidents along the Israeli-Syrian cease-fire lines since the June, 1967 war, this was the first time Syrian artillery had intervened.

Seven Israelis dead were counted in one of the biggest Palestinian commando raids across the cease-fire line, an Egyptian missile attack on the Suez front and in a mining incident on September 1 and 2.

A band of 20 commandos infiltrated on August 31 into Israeli-occupied Golan Heights and ambushed an army patrol near Hisfin. Three teenaged soldiers were killed and four wounded for the loss of only one Arab attacker.

Far away to the south-west, along the Suez Canal cease-fire line, four Israeli soldiers died—three when their tank received a direct hit from across the waterway on the east by an Egyptian ground-to-ground missile and the fourth in a mining incident.

Two Israeli war-planes hit the Jordanian area of Al-Adassiyah, three miles south of the Sea of Galilee, with napalm bombs and machine-gun fire on September 3. Jordanian anti-aircraft batteries fired on the raiding Israeli planes.

Israeli planes also staged two raids on several villages in southern Lebanon on September 3. The Israeli planes were intercepted by Lebanese ground fire during the two raids.

UN Security Council Condemns Israeli Attack On Lebanese Villages:

The UN Security Council unanimously condemned on August 26 Israel's air attack on southern Lebanese villages on August 11 from which the Israelis charged that Arab guerrillas were operating.

In the resolution, the Security Council deplored all violent incidents in violation of the cease-fire—an implied reproach to the Arab guerrillas—and deplored the extension of the area of fighting. [Hitherto, the Lebanon-Israel front had been relatively calm.]

The resolution also declared that "such actions of military reprisal and other grave violations of the cease-fire cannot be tolerated and the Security Council would have to consider further and more effective steps as envisaged in the UN Charter to ensure against repetition of such acts."

It was the 15th time since the six-day war of June, 1967 that the Council had condemned Israel.

The Israeli Ambassador, Mr. Yosef Tekoah, denounced the action as "a diplomatic event, which, like similar ones which have preceded it, is of little value in efforts to resolve the West Asia conflict."

In Tel Aviv, the Israeli Minister without Portfolio, Mr. Menahem Begin rejected the Security Council condemnation of Israel for its air raid on Lebanon and vowed that UN would not deter Israel "from defending itself."

He told a political rally: "We will hit the saboteurs wherever they may be found at whatever time it will seem to us convenient. The time has gone forever when Jewish blood can be easily spilled.

"We were clearly and definitely condemned for a pure act of self-defence (by UN Council)."

"No Pre-Conditions On Talks"—Mr. A. Eban:

The Foreign Minister, Mr. Abba Eban, said in Tel Aviv on August 24 that Israel would impose no pre-conditions on any peace talks with the Arab nations.

He said: "We have a certain conception of what our security map should look like, but if the Arab Governments were to come next week to talk peace, we would not ask any pre-conditions.

"It is not the case that Israel has made any territorial pre-conditions to negotiations.

"Despite breaches of the agreements as a result of UAR's deliberate policy of harassment, a generalized war is not inevitable.

"Israel is not interested in any escalation. We would welcome a restoration of the cease-fire. UAR has not the ability to change the existing situation by war. They would be repulsed."

(**The Jerusalem Post, The Times,** London, **The Statesman,** Calcutta, **The Hindu,** Madras and **The Egyptian Gazette,** Cairo)

[Prev. ref. 8748:ISR:A, 9136:ISR:A]

B. Fire In El Aqsa Mosque: The El Aqsa Mosque, one of the most revered Muslim shrines in the old city of Jerusalem blazed for three hours on August 21 in a fire which many suspected to be deliberate, setting off demonstrations by angry Arabs.

Part of the Mosque roof collapsed in flames and religious relics were also burned.

Arab workmen were carrying out repairs inside the building when the flames were spotted.

Israeli police and soldiers cordoning off the Mosque had to fire shots in the air to disperse young Arab protestors who charged in waves.

The Israeli Government clamped a curfew on the area and set up an Inquiry Commission.

Another Commission of architects and engineers would study the damage to the Mosque and report to the Cabinet.

The El Aqsa Mosque was built in the 7th century and parts of the present building date from 1218.

Next day (August 22), Muslim authorities took over security responsibility in the old Arab sector of Jerusalem around El Aqsa Mosque as mid-day—the traditional time for Friday service—approached.

Israeli security men were standing by, well clear of the Mosque area, and stopping all non-Arabs from entering the sector.

One Muslim was named in the five-man Committee of Inquiry ordered by the Prime Minister, Mrs. Golda Meir, to investigate the blaze which brought bitter protests throughout the Arab world.

The Shah of Iran offered to share the costs of repair to the El Aqsa Mosque.

The Israeli Government expressed disgust with the attempts by official quarters of certain Arab countries to blame Israel for the blaze in El Aqsa Mosque.

In a **communique,** issued after a second special session of the Cabinet, the Israeli Government pointed out that fire had broken out several times in the past at holy sites, among them the El Aqsa Mosque, in 1963.

King Hussein of Jordan in a broadcast urged Heads of Arab and Muslim States to take quick common action to face what he described as the "challenge of Israel."

Mr. Michael Rohen Charged:

On August 24, Mr. Michael Rohen, an Australian, was charged with setting fire to the El Aqsa Mosque.

He was reported to have confessed the crime to the police.

He was said to have told the police that he entered the Mosque—after paying the normal entrance fee—and poured petrol on one of the walls. He had with him a package of inflammable material which helped to spread the fire.

He was also said to have admitted that he had tried to set fire to the Mosque two weeks earlier.

A report from Jerusalem said that Mr. Rohen was detained after a Muslim guard gave the police a detailed description of the man he thought was acting suspiciously just before the outbreak.

Moussa Shehabi (60), employed as a guard by the Muslim religious authorities, told the police that on August 21 he saw the man whom he described as young and tall near St. Stephen's Gate shortly before he noticed smoke curling from the roof. The man started to run away when he called out to him to stop. In his flight, the man lost a blue coat which Shehabi picked up.

Two other Muslim guards also supplied descriptions of the man they said they saw loitering in the Mosque area.

The Religious Council, which governs the Mosque, also said that Rohen was seen at the shrine a number of times during the three days before the fire.

Tel Aviv Radio broadcast on August 23 a series of interviews and statements by people who claimed to have known Mr. Michael Rohen.

These statements pictured Mr. Rohen as some sort of an "illuminate" who might have fired the Mosque in the belief that its destruction would make it possible to rebuild the ancient Temple of Solomon—on the site of which the El Aqsa was erected in the 7th century AD—and hasten the return of Christ to Earth.

They said that he belonged to a sect called the "Church of God" which claims 1,500,000 followers and has one of its centres in Cyprus.

They said that pamphlets distributed by Mr. Rohen preached world peace but affirmed that this could only be achieved when Solomon's Temple had been re-built and Messiah had returned to Earth.

Mr. A. Eban Accuses Arabs Of "Religious Warfare":

The Foreign Minister, Mr. Abba Eban, accused Arab leaders at a news conference in Tel Aviv on August 24 of reviving medieval incitement to inter-faith religious warfare over the El Aqsa Mosque fire.

He charged Arab countries with a crime on an international scale. He said they were trying to extract political advantage from the fire.

He said: "More than one crime has been committed. There is the crime by an individual that is before the courts.

"But there is another crime on an international scale, by Arab Governments and spokesmen, who instead of joining humanity in shock and grief....are attempting to extract political advantage by a campaign with very few parallels in the history of our age."

Referring to Arab accusations that the Mosque blaze was a deliberate act by the Israeli Government, he said: "I would not have believed (such charges were made), if I had not heard it with my own ears on Jordanian television last night (August 23)."

He singled out the reaction of President Nasser that the only answer was force. He said that President Nasser's message to the Egyptian Army was far from enlightened. "The answer of President Nasser is not peace, not understanding, not a common love of the human heritage, not reconciliation—the answer is force, bloodshed and bombardment."

Arab Protests:

There were protests all over the Arab world, including United Nations.

Arab workers in West Asia went on strike on August 28 in protest against the fire at Aqsa Mosque. The strike was called by the International Confederation of Arab Trade Unions.

In Syria *strikers* marched through *the streets of Damascus* carrying *placards calling for the liberation of Jerusalem and all occupied* Arab *territories.*

In Lebanon, lawyers did not attend *the courts* and there were similar *stoppages* in Iraq.

In Karachi, Pakistani demonstrators smashed windows of the office *of Pan American Airways. In Rawalpindi, a group of women demonstrated outside the US Information* Centre *calling for a holy war.*

Traffic in Amman (Jordanian capital) came to a standstill for an hour as lawyers, labourers and other workers went on strike.

(**The Times**, London, **The Hindu**, Madras, **Tel Aviv Radio** and The **Egyptian Gazette**, Cairo)

[Prev. ref. 7797:ISR:A, 7957:JOR:A]

C. Islamic "Summit" Talks Proposed: Fourteen Arab Foreign Ministers who met in Cairo on August 26, in a **communique** agreed that force was the only way to liberate Arab lands and supported a call for holding an Islamic "Summit" conference.

They also decided to call a joint Arab Defence Council meeting in Cairo in November, 1969 to frame the necessary plans for mobilizing Arab military potential against Israeli aggression.

The **communique,** issued after a two-day conference, said that Saudi Arabia and Morocco would be asked to carry out necessary consultations with Muslim countries to prepare for the meeting which was proposed by King Feisal of Saudi Arabia.

It said: "After the horrible crime by Israel of burning the El Aqsa Mosque, the proof given by Israel of the plans against Muslim and Christain holy places in the occupied lands, the Ministers see that force, organization and preparation are the only means for liberating the occupied lands."

It re-iterated the necessity of strengthening Palestinian guerrilla capabilities and supporting the Arabs in the occupied territories.

It also endorsed a unified stand to be taken by the Arab delegations at the September session of the UN General Assembly.

"Summit" Shelved:

However, it was stated, the Arab League had shelved Jordan's proposal for an early Islamic Summit Conference.

King Hussein's call for an immediate "Summit" supported by President G.A. Nasser was put off once again at an emergency meeting of Arab Foreign Ministers in Cairo on August 26.

Four-Power Defence Talks:

But, the Cairo newspaper **Al Ahram** said on August 29 that UAR, Syria, Jordan and Iraq would hold a "Summit" meeting in Cairo "shortly" to discuss military matters.

The newspaper said that the meeting between the Heads of States of the four countries would discuss "highly important military issues" and future confrontation plans against Israel.

The decision came a couple of days after the Foreign Ministers of 14 Arab States had decided to shelve for three months a call by King Hussein for a full Islamic "Summit" on the West Asia issue.

At the same time, the Foreign Ministers of the four Powers—UAR, Jordan, Syria and Iraq—met to discuss the political aspects.

Delegates at the military meeting included Ministers and Army and Air Force officers. Among those taking part in the discussions were the UAR War Minister, Mr. Mohammed Fawzy, the Commander-in-Chief of the Jordanian armed forces, Gen. Nasser Ben Jamil, the Syrian Defence Minister Lt.-Gen. Hafez Assad, and the Iraqi Defence Minister, Air-Marshal Hardan Takriti.

The strengthening of the eastern front comprising troops from Jordan, Syria and Iraq was understood to be one of the major subjects under discussion.

Leaders of the guerrilla groups including the biggest El Fatah also met in Cairo simultaneously, with the basic aim of streamlining their activities.

Joint Communique:

The Conference concluded on September 3 after calling on all Arab States to mobilize their resources for a coming battle with Israel.

In a joint **communique,** the leaders of UAR, Jordan, Syria, Iraq and Sudan declared that they "studied all the dimensions of the situation and took appropriate decisions in this connexion." They did not say, however, what these decisions were.

The Arab "mini-Summit," called for by UAR's President, Col. G.A. Nasser a week earlier (see above) following the failure of Arab Foreign Ministers to agree on convening an all-Arab meet of Heads of States, had the primary aim of co-ordinating the military strategies of Arab countries bordering on Israel.

The participants were President G. A. Nasser, King Hussein of Jordan, the Syrian Head of State, Mr. Nureddin Atassi, and the Iraqi Deputy Premier, Mr. Saleh Ammash, representing President Ahmed Hassen el Bakr.

Gen. Jaafar Nimeiry, head of Sudan's Revolutionary Council joined the Conference on September 3.

[Neither Sudan nor Iraq borders on Israel, but Iraq has troops stationed in Jordan, and Sudan has offered troops for the Sinai front.]

"The most striking result of the meeting," a joint **communique** said "was that all participants agreed on the fact that the mobilization of the efforts of all the Arab countries in the battle constitutes a means enabling them to consolidate their position in the face of the enemy and represents a target set up by the need to win victory.

"The resources of the Arab nations have not yet been exploited to the extent that the situation required. The situation demands that all countries should redouble their efforts in order to put all these resources and possibilities at the service of the battle."

(**Cairo Radio, The Egyptian Gazette,** Cairo, **The Times,** London and **The Hindu,** Madras)

[Prev. ref. 7666:JOR:A, 8245:ISR:B]

D. French Arms Supplies Resumed: It was learnt in Paris on August 27 that France had resumed shipments of arms and spare parts to Israel, but that she was not yet ready to release 50 war planes the Israelis consider essential to their security.

It was stated that the arms deals

with Israel were started again "earlier this month" (August, 1969) ending a seven-month-long total embargo on war material ordered by the former President, Gen. Charles de Gaulle.

(Le Monde, Paris)

[Prev. ref. 8777:ISR:A, 8988:ISR:A]

E. Labour Party Convention: The Prime Minister, Mrs. Golda Meir, vowed on August 5 at a Convention of the ruling Labour Party in Tel Aviv that "when the time for peace will come, nobody will give up one inch of territory needed to assure Israel of secure borders."

She said: "Despite differences over the future map (of Israel's borders after peace with the Arabs) we will measure every single inch of land to determine the border which will truly assure a life of peace."

In the final stages of the Convention, a clear-cut dove-versus-hawk confrontation broke out between the Foreign Minister, Mr. Abba Eban, and Mr. Shimon Peres., Deputy Secretary-General of the Party and an ardent supporter of the Defence Minister, Gen. Moshe Dayan.

The two quarrelled over the wording of the Labour Party's published platform, a controversial document pledging continued Israeli defiance of the Arab world and UN rulings on the West Asian conflict.

[The platform attempts to compromise between Mr. Eban's moderate view—to await peace talks before mapping borders and Gen. Dayan's tough outlook: to establish "strategic security borders." Gen. Dayan supports retaining the Gaza Strip of Egypt, the Golan Heights of Syria and a territorial link with the strategic Tiran Strait on the Red Sea. He also wants a clause to prevent foreign armies crossing west of the Jordan River.

The issue of what Israel would do with Arab land won in the 1967 war echoed throughout the Convention. The platform tried to satisfy both Gen. Dayan and Mr. Eban by promising "strategic borders," and, at the same time, "secure, recognized and agreed boundaries" to be reached after face-to-face talks.

Mr. Eban told Mr. Peres that the written platform purposely used generalized terms and did not detail the strategic security borders. But Mr. Peres, speaking for Gen. Dayan, contended that the Committee that formulated the programme had agreed to accept Gen. Dayan's plan.

Differences Patched Up:

The threat of a split in the Labour Party was, however, averted on August 17 when the faction led by Gen. Dayan approved the Party's platform.

Gen. Dayan told a caucus of his key supporters that he felt confidence in the leadership of the Prime Minister, Mrs. Golda Meir and opposed the idea of any breakaway party to be headed by himself in the elections on October 28.

He said that the political and military dangers facing Israel dictated a Government of national unity such as that which had led the country over the last two years. He announced that he would refuse to head a separate list should the faction decide to run one. He warned that he would not run for office at all if that happened.

The faction leaders backed his stand when they approved the Labour Party's agreed platform by 39 votes in favour, six against and six abstentions.

(The New York Times)

[Prev. ref. 8483:ISR:D]

F. Request To USA For Jet Aircraft: The New York Times reported on August 7 that Israel had approached USA with a request for more than $150 million worth of jet aircraft, including supersonic **Phantom** F-4 jets, to maintain long-term air superiority over the Arab States.

The newspaper, quoting reliable informants, reported that the Israeli Ambassador in Washington, Mr. Yitzak Rabin, had asked USA to sell Israel about 80 more **Skyhawk** A-4 fighter-bombers and about 25 more **Phantom** jets.

Under previous deals, the United States was already selling Israel both types of aircraft. The **Phantom** jets are estimated to cost $3 million to $4million, with the **Skyhawks** about $1 million, with the exact cost depending on the type of equipment included on both planes.

The informants said the request was made in July, shortly before the renewal of the air war between Egypt and Israel along the Suez Canal. It was also about this time that French President Pompidou had indicated publicly that France would maintain its long-standing embargo on delivering the supersonic **Mirage** jets previously bought by Israel.

The Nixon Administration was reported to have given no response to the Israeli request but to have it under consideration.

Israeli officials were reported to have renewed their earlier indication that they would like to have the **Phantoms** equipped with racks suitable for carrying atomic weapons. Previously, the United States had rejected such pleas and insisted that Israel agree not to use American-supplied jets to carry such weapons.

Israel's position is that it is not "an atomic Power" and will not "be the first to introduce" atomic weapons into West Asia. But most Western specialists estimate that Israel can produce such weapons within three to six months.

During the Johnson Administration, the United States had become the principal supplier of the Israeli Air Force since the June, 1967 war.

Under a deal signed in 1966 and expanded in January, 1968, the United States had delivered more than half of 80 promised **Skyhawk A-4** jets. Israeli officials acknowledge that some of these planes had been used recently in the fighting along the Suez Canal.

(The New York Times)

[Prev. ref. 8566:ISR:A, 8777:ISR:A]

JAPAN

A. University Bill Passed: The ruling Liberal Democratic Party (LDP) hurried its controversial University Normalization Bill through the House of Councillors on August 3.

The President of the House, Mr. Yuzo Shigamune, earlier declared he would invoke Article 88 of the Upper House rules and put the University Bill at the top of the agenda.

The Article empowers the Upper House President to change the order of floor proceedings if he deemed necessary. It was the first time an Upper House President had ever declared such a change on the strength of the Article. He immediately put the Bill to a standing vote. The LDP majority jumped up in support, while Opposition members of the House shouted their rage.

The Bill was, however, declared passed. Confusion lasted for a considerable time at the plenary session chamber of the Upper House.

The LDP Secretary-General, Mr. Kakuei Tanaka, told newsmen after the forced vote that there was no other way to clear the Bill since Opposition parties intended to block its passage by force. LDP had avoided calling policemen onto the floor so as not to mar the prestige of the Legislature, the highest organ of State power.

The Bill called for special measures of five years duration aimed at "helping universities settle campus disputes." It gave the presidents of universities where campus troubles occur the right to set up special management consultative bodies and close their schools for six months. University presidents can extend the suspension of classes for three more months if disputes are not resolved at the end of the six-month period. If the disturbances do not end within the nine months, the law enables the Education Minister, after hearing the opinions of the presidents and the Provisional University Council, to stop educational and research activities at the schools for three months. In that case, faculty members would be suspended from work and receive 70 per cent of their regular salaries. The closure period would not be regarded as within the period of students' study at the institutions. If a campus dispute is not solved even after a one-year period, the law makes it possible for the Education Minister to abolish the university in question.

According to the Education Ministry, 14 universities were likely to become immediate targets of the normalization law. All of them will be recognized as the institutions involved in campus disputes for no less than five months.

Among the 14 universities were the Tokyo University of Foreign Studies, Tokyo University of Education, *Yokohama National University, Kyoto University, Osaka University, Kobe University* and Osaka City University.

The Bill was sanctioned by the Cabinet on May 24. It was presented to the Diet for deliberations on the same day.

The House of Representatives passed the Bill on June 30 and sent it to the Upper House.

Mr. Ichiro Kato, President of Tokyo University, told a news conference at the University on August 3 that he had protested "with strong anger" the forced vote on the University Bill.

He called the LDP move "an outrageous act tantamount to the denial of minimum rules of parliamentary democracy and nullification of the **raison d'etre** of the Upper House."

He said the questionable way the Bill was processed into law and many controversial provisions in the law itself "entail the danger of making the solution of campus disputes more difficult."

Commentators said that the tough action taken by Government leaders to win Diet approval of the controversial Bill was undoubtedly motivated by their eagerness to prepare successfully for overcoming the crucial period next year when the Japan-US Security Treaty comes up for review. They had the Bill rammed through the House of Councillors plenary with an amazing blitz vote-taking even at the sacrifice of their coming under bitter public fire.

The present 10-year period of the Japan-US Security Pact expires on June 23, 1970 when it becomes optional for either signatory to keep or scrap the pact beyond that date. Anti-Government forces, led by Leftist groups, are planning to mount a nation-wide campaign to overthrow the ruling conservative power by staging a scrap-the-pact drive next year and thereafter.

Because of this anti-security pact offensive, many observers speculated that there would be political disorder with the possible effect of dividing the nation widely. In view of this, the Government and ruling Liberal Democratic Party leaders were contemplating avoiding such measures as would irritate the anti-Government camp in the Diet and elsewhere next year.

(The Japan Times, Tokyo)

[Prev. ref. 9030:JAP:B]

KOREA (North)

A. US Helicopter Shot Down:

It was officially stated in Pyongyang that a US helicopter which intruded deep into North Korean air-space had been shot down on August 17.

Pyongyang Radio said the helicopter intruded into North Korean air-space from Kanghwa-Do island. The **Radio** did not say what had happened to the crew of the helicopter. It said the helicopter was immediately shot down by the Korean People's Army's self-defence measures.

A spokesman of the American-led United Nations Command in Seoul said that an unarmed OH-23 helicopter was reported missing at about 11 a.m. and "may have gone down in North Korean territory."

Munhwa Radio, a commercial station in Seoul, meanwhile, said that provincial police headquarters in Inchon had received a report that five villagers at Cholsan-Ni on Kanghwa-Do island saw a helicopter being shot down on the northern side of Han River Estuary. It had no other details.

The UN spokesman, Col. Walter Moore of the US Army, said the small helicopter with three persons aboard was on "a training flight" when it disappeared. "The pilot may have become disoriented and inadvertently flown near or over North Korean territory."

The spokesman added that the senior member of the UN Command Military Armistice Commission, Maj-Gen. Arthur H. Adams of the US Marine Corps, had immediately reported the missing aircraft to his North Korean counterpart through the truce village of Panmunjom and requested his assistance in returning the helicopter and personnel "if in fact it is down in North Korean territory."

It was the second American helicopter downed by North Koreans along the Demilitarized Zone since the Korean War ended in armistice in 1953. The first incident occurred in May, 1963 near Panmunjom. Two American pilots were released by the North Koreans a year later.

In the 1963 case, as in the **Pueblo** case last year, North Korea had charged espionage activity and freed the captives only after the top US military commander had apologized for their alleged guilt and had guaranteed to prevent recurrence of a similar incident.

US Reaction:

In Washington, sources at both the State Department and the Pentagon said they did not expect a major international incident to result from the incident.

There was no immediate Government comment, however.

"This situation is certainly not of the magnitude of the **Pueblo** or the EC-121," one source said. He noted that the intelligence ship captured by the North Koreans in 1968 and the navy reconnaissance plane shot down by the North Koreans last April were on intelligence missions, while the light helicopter was on a training flight. In addition, the helicopter appeared from reports to have strayed into North Korean air-space. (North Korea claims air and sea limits of 12 miles.)

The source noted, however, that if any of the three men aboard the helicopter survived, the episode might have serious implications.

(The New York Times)

[Prev. ref. 8961:KRN:A]

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INDIA

A. Volunteer Forces: According to a survey by the Central Home Ministry on the nature and size of the volunteer forces controlled by various political parties, the RSS has the biggest volunteer force spread practically all over the country with larger concentration in the Northern States and Maharashtra. But the second biggest single unit is commanded by the All-Party Hill Leaders' Conference. The Communists have a sizable following in selected pockets, especially in Kerala.

The survey, based on information received from the States, is incomplete in certain material respects. For instance, the report on West Bengal gives only the size of the RSS force and is silent on other organizations. Similarly, Tamil Nadu does not give the size of the various forces—the State has five volunteer organizations, two sponsored by the Congress, one each by the two Communist Parties and one by all parties excluding the Congress.

The A-PHLC force comprises more than 66,000 members in Assam which has a 10,000-strong unit of the outlawed Mizo National Front, and a Mizo Union force of 5,000. The Jana Sangh is the only other organization in the State with its band of volunteers.

(**The Statesman**, New Delhi)
[Prev. ref. 8676:INI:T, 9043:INI:H]

B. Publications Of Political Parties: According to the annual report of the Registrar of Newspapers, released in New Delhi on September 4, although the Congress runs 35 newspapers, their combined circulation is less than a third of the total circulation of those run by the three Communist Parties.

The circulation of the Communist papers is 75,000 against 24,000 of Congress-owned ones.

The Congress publishes five dailies, 16 weeklies, three fortnightlies and six monthlies. Besides, there are two multilinguals, one bilingual and two "other" newspapers published by the party.

Ten of its papers are in Hindi, four in English, three in Gujarati, two each in Bengali and Urdu and one each in Assamese, Telugu, Marathi and Kannada.

The Communist Parties publish two dailies, 18 weeklies, one fortnightly and five monthlies. There are four papers each in Hindi and Bengali, three each in English, Marathi and Punjabi, two each in Telugu and Malayalam, and one each in Assamese, Urdu, Kannada, Oriya and Manipuri.

The **New Age,** an English weekly published by the Communist Party of India from Delhi, commands the largest circulation (11,058) among the newspapers owned by political parties.

The **Janashakti,** a Hindi weekly of Patna, and **People's Democracy,** an English weekly of Calcutta, both published by the Communist Parties, have a circulation of 10.624 and 9,450. The highest circulation commanded by a Congress Party Paper is 7,314 by the **Andhra Janatha,** a Telugu daily from Hyderabad.

The total number of newspapers run by various parties in the country is 87 with a combined circulation of 119,000.

(**The Times of India,** New Delhi)
[Prev. ref. 8538:INI:K, 9165:INI:R]

C. Lead Deposits In Orissa: An extensive lead-carrying belt has been found in the Sundergarh district of Orissa.

Geophysical investigation in 1966 near Sargipali in the district had yielded encouraging results. In November, 1967, Galeno—an ore of lead—was struck during exploratory drilling.

Detailed investigations have proved the existence of the "metal" in a zone extending over 1,000 metres.

(**The Statesman**, Calcutta)
[Prev. ref. 5931:INI:O]

INDONESIA

A. Independence Day: Indonesia celebrated its 24th Independence anniversary on August 17 with a ceremony featuring the reading of the proclamation of Independence and raising of the National Flag in the grounds of the Presidential Palace.

President Suharto presided over the ceremony, attended by Cabinet Ministers, military commanders and members of the diplomatic corps.

There were no parades, no long speeches or mass rallies or huge crowds which had marked Independence Days when Dr. Sukarno was in power. President Suharto had decreed that all ceremonies be kept simple.

President Suharto in a broadcast said that although his country was now receiving most of its aid from Western countries, "it should not be interpreted that we have closed the door to aid from the Eastern bloc."

He said: "In receiving foreign aid and economic co-operation, we frankly state that no aid will be accepted if political strings are attached. This principle is equally applied to the Western as well as the Eastern blocs."

[About $500 million has been promised by Western nations for this financial year. Since the abortive Communist **coup** in October, 1965, there has been no direct aid from Communist countries. But a Soviet economic mission is due to visit Indonesia to discuss abandoned Soviet projects.]

President Suharto said that for the moment development projects with credits from Communist countries were still continuing "and their co-operation is still needed."

Referring to the internal situation, he said that the greatest danger which might threaten Indonesia at this time would be the failure of the Five-Year Economic Development Plan begun in April. "Failure of this would not only mean loss of faith in the Government, but would also mean the destruction of the achievements so far. Deterioration of the economy would surely cause the come back of the Communists."

But he pointed to some of the outstanding economic achievements of his administration in the last ten years: "We have achieved stabilization and rehabilitation of the economy, or, in plain language, healed the deep economic wounds which for years had wrecked the body of the nation."

He said that in the first seven months of this year, the prices of nine basic commodities had dropped, while the galloping inflation of previous years had been held to just 1.7 per cent monthly this year.

He indicated some possible additional taxation, when he said that the development effort was in need of more extensive financing. "The Government is exploring new additional sources of income, which on the one side should not disturb the monetary stability, while on the other side should still be within the limit of social capacity and consciousness of the society and the house, whenever the Government decides on this matter."

(**Patriot**, New Delhi, **The Hindu**, Madras and **Information Service Indonesia**)

[Prev. ref. 8861:IND:A]

B. ***President R. Nixon's Visit:*** *President R. Nixon of USA arrived in Djakarta on July 27 on a 22-hour visit in the course of his Asian tour.*

Mr. Nixon was making the first visit by a US President to Indonesia, although he came in 1953 as President Eisenhower's Vice-President when Dr. Sukarno was in power.

He was received by President Suharto and other leaders.

Along the route to the palace from the airport were strung large banners proclaiming: "Long live US-Indonesian friendship", "Long live Mr. Nixon, long live Pat Nixon" and "Congratulations for the success of your Moon expedition."

In his airport speech, President Nixon assured President Suharto that he wanted Indonesia to be a pillar of political and economic stability in Asia but did not intend to entangle it in any defence links it did not want. "It is on the basis of common values and ideals and not on the basis of alliance or alignment that my country seeks to co-operate with the Indonesian Republic."

"We respect you as a proud and independent nation and we believe that a proud, independent and dynamic Indonesia can have a great influence for good in our world."

Later, at a banquet, President Suharto mentioned pointedly that Mr. Nixon's visit coincided with the beginning of Indonesia's Five-Year Economic Plan.

His pursuit of this economic theme received a firm response from Mr. Nixon who said: "We want to be with you. We want to assist you in any way that you think is appropriate—we go along with other nations who have the capacity to do so."

He also praised Indonesia's stabilization of its economy. "I noted that three years ago, Indonesia had one of the fastest rates of inflation in the whole world. Today it is one of the most stable."

Discussions:

The Foreign Minister, Dr. Adam Malik told newsmen on July 28 that President Nixon and President Suharto had held "very thorough discussions on various world problems including Viet-Nam and China,"

Mr. Malik said that the Russian-proposed collective security system in Asia was not discussed. He added: "The United States seems to have no interest in it."

Asked if Indonesia and USA had a common view on Viet-Nam, he said: "Indonesia wants immediate peace in Viet-Nam". He did not go into details.

Asked about British withdrawal from the Indian Ocean, he said the withdrawal would bring about a normal situation in the area and not a vacuum and USA preferred that countries in the region would be able to look after their own security.

According to a White House spokesman, the talks centred chiefly on matters directly relating to Indonesia.

Speaking at the airport shortly before departure, Mr. Nixon told President Suharto: "You choose your own way. You choose your open policies. We will be happy and proud to work with you. I leave here with the conviction that the future of this country is in good hands."

Replying, President Suharto said USA and Indonesia should strive for closer co-operation which would be good for a new South-East Asia, to world peace and to the prosperity of mankind.

(**The New York Times** and **The Hindu,** Madras)

[Prev. ref. 8594:IND:A]

IRAN

A. **Shah's Message On Constitution Day:** In a message to the people on the occasion of the 63rd anniversary of the Constitution on August 12, the Shah urged his people to work for the creation of a "truly democratic atmosphere" which was the precondition for the nation's intellectual growth and maturity.

He also called for a "deep and complete participation" of all individuals in ensuring the nation's progress.

He said every nation desirous of keeping in line with the progress of human society should not only achieve scientific and technological progress but should also become powerful spiritually and morally.

Failing this, a nation would not only fall behind in the struggle of life, but would also risk the loss of its very existence in a world which was moving ahead at a phenomenal speed.

He said that the intellectual growth and maturity could be achieved above all through a truly democratic atmosphere and such a democracy required the deep and complete participation of all individuals of a nation in playing an important role. "True democracy could not be established by merely enacting progressive laws."

He added that in Iran most progressive laws were in operation, capable of meeting the challenge of the modern age, and the field was being prepared for the creation of a truly democratic order.

(**Dawn**, Karachi and **Tehran Radio**)

[Prev. ref. 8747:IRN:A]

IRAQ

A. **Collaboration With Soviet Oil Firm:** Under an Agreement published in Baghdad on June 23, a Soviet firm will provide the Iraq National Oil Company (INOC) equipment and technical aid worth about $72 million.

The firm, Machino-Export, will assist in the installation of 10 derricks. Besides, it will equip five geophysical and geological teams and supply machinery for drilling, storing and pumping of oil, maintenance and gas production. Soviet aid will help direct exploitation of the Halfaya area, in south Iraq, where the presence of oil has been established.

Under the Agreement, Iraqi experts will go to the Soviet Union for training.

The Agreement said that both sides estimated the overall value of the contracts involved at about $72 million, to be paid in accordance with terms of a Commercial Agreement concluded by the two countries in 1958.

According to Western observers, what USSR stands to gain from the deal is access to a new source of crude oil and a closer political relationship with Ba'athist leaders who are showing signs of readiness for an accommodation with local nationalists.

The Iraqis will gain expert help and finance to develop oilfields which have been unexploited since they were expropriated from the Iraq Petroleum Company (IPC) eight years ago and a Soviet market for their own output.

The oil to be produced with Soviet help by the Iraq National Oil Company (INOC), which has no output at present, will not therefore be competing in world markets with the products of IPC which is owned by a consortium of Western oil giants—Shell, British Petroleum, Compagnie Francaise des Petroles, Standard Oil (New Jersey), and Mobil.

The real setback for IPC is that the deal is for the exploitation of the North Rumaila near Basra, which was originally an IPC concession but was expropriated by the Iraqis under the law. IPC had earlier test-drilled North Rumaila. Three of the six test wells were producers though these are now closed. North Rumaila is geologically a continuation of the rich Kuwait and south Rumaila fields and IPC experts have no doubt that they contain large reserves.

(The **Egyptian Gazette**, Cairo and **Dawn**, Karachi)

[Prev. ref. 8148:IRQ:A]

B. **More Executions For Spying:** Three persons were executed in Iraq on September 8 for spying for Israel and the US Central Intelligence Agency.

They were Ambarkhud Al-Karam, Anis Abbas and Muhamad Rida Haydar.

(Baghdad Radio)

[Prev. ref. 9090:IRQ:A]

JAPAN

A. **Control On Exchange Remittances Lifted:** Effective from September 1, most of the remaining exchange controls on remittances by foreigners were removed.

The steps for removal of controls promulgated by the Finance Ministry were taken on August 27.

Finance Ministry officials explained that as a result of the new measures, Japan's exchange controls would have reached the levels of West European countries barring USA and West Germany. The only remaining restrictions in ordinary invisible trade transactions would be on technology imports and insurance.

Under the new liberalization measures, Japanese branches of foreign enterprises, which were established before July 1, 1963 on the condition that they would not remit their profits and principals, would be free to make such remittances in foreign currency through the Bank of Japan. So far, such remittances had required approval of the Finance Minister and certain kind of remittances of accumulated profits had been prohibited.

Foreign investors in Japanese corporate stocks acquired without guarantee of remittance before July 1, 1963 would now be free to remit dividends through the Bank of Japan. Foreign residents in this country would also be free to remit home through the Bank of Japan their ordinary incomes such as salaries, remunerations and wages. Till now, such remittances were permitted only when they were to be made to relations within the second degree for living expenses.

Foreign residents in Japan would also be allowed to take with them their assets worth up to $50,000 when they change their places of residence from Japan. The present limit is $10,000.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8996:JAP:A]

B. **Rocket Launched:** Japan launched on August 17 a large rocket, the 44-ton MU, in a test intended to improve its directional control.

The launching was at Uchinoura near Kagoshima in south-western Japan. The rocket rose to about 80 miles, performing with success.

So far, Japan had tested only much smaller rockets of the Lamba type. It was the first time that a large Japanese rocket, rather similar to the United States **Minuteman,** had been launched.

The present rocket programme, controlled by Tokyo University scientists, was intended to prepare the way for an Earth satellite next year, but the test also served as a reminder that Japan could without great difficulty, in the opinion of some experts, develop effective ballistic missiles of the **Minuteman** type, with a range sufficient to cover China, at least.

(**The Times**, London)

[Prev. ref. 9072:JAP:B]

C. **US Ambassador Assaulted:** A 21-year-old youth attempted to attack the US Ambassador, Mr. Armin H. Meyer with a knife on July 31 at Tokyo International Airport where he had gone to see off the Secretary of State, Mr. William P. Rogers.

Bodyguards successfully thwarted the attempt by knocking the 17.7-cm-long painter's knife out of the hands of the attacker. The youth, who was apprehended immediately, was identified as Shigetsugu Hamaoka, a resident in Oki Island, north of Shimane Prefecture in the Sea of Japan.

The Foreign Minister, Mr. Kichi Aichi called on Mr. Meyer at the Embassy later and expressed regret over the incident.

(**The Japan Times**, Tokyo)

[Prev. ref. 5779:JAP:A]

JORDAN

A. **New Cabinet:** Mr. Bahjat al Talhouni, chief of the Royal Cabinet, formed a new Government on August 12.

The new administration includes Mr. Abdel Moneim Al-Rifai, head of the former Government whose resignation was accepted by King Hussein earlier. Mr. Al-Rifai became Deputy Premier and Foreign Minister.

The new Government has 18 members, nine of them from the Israeli-occupied west bank of the Jordan. Among them are seven Ministers from the outgoing Government.

This was the fifth Cabinet to be formed by Mr. Talhouni (65), who is known to be on good terms with the United Arab Republic and Palestinian commando organizations.

(Amman Radio)

[Prev. ref. 9073:JOR:A]

KOREA (South)

A. **Flood Havoc:** The National Police said in Seoul on August 2 that floods and landslides, after two days of torrential rain, had left 104 persons dead.

More than 12,000 people became homeless as their houses were washed away or flooded, mostly in Hwachon county. Many villages were isolated with communications cut off and roads washed away. Army helicopters dropped supplies to them.

A police spokesman said that increased casualties were feared as rescue workers were still digging through piles of earth in the worst-hit area, Hwachon county, about 80 km north-east of Seoul. In this area alone, 92 people were crushed to death in landslides or drowned in streams swollen by the downpour.

(The New York Times)

[Prev. ref. 6126:KRS:C]

LAOS

A. Prince Souvanna Phouma's Charge Against North Viet-Nam: The Prime Minister, Prince Souvanna Phouma, during a visit to France, told a news conference in Paris on July 25 that 60,000 North Viet-Namese troops were waging war in his country.

He said that his recent appeals to Moscow, Hanoi and the Pathet Lao insurgents had been of little avail.

[His visit to Paris, as well as a previous stopover in London, was part of an effort to exert presure on Hanoi to withdraw its troops from Laos. He conferred with President Georges Pompidou, and also had a meeting with Mr. Henry Cabot Lodge, the head of the American delegation to the peace talks in Paris.]

He charged North Viet-Nam with stepping up its "interference" in Laos in recent months. This reflected a "desire for colonialism" with the aim of making "Laos a satellite of North Viet-Nam."

He disclosed that he had corresponded in January with Prince Souvanouvong, the leader of the Pathet Lao and his half-brother, to propose talks to end the civil war. The Soviet Ambassador in Vientiane served as the intermediary. But the Pathet Lao leader had demanded a halt in the American bombing of Laotian territory as a prior condition to talks.

The Prince said that the North Viet-Namese envoy to Laos had also made a similar demand in a private interview. He said that he would be willing to cut back the bombing progressively in exchange for troop withdrawals, but had received "no response."

He said that he had authorized the American bombing raids, aimed at North Viet-Namese base camps and supply routes along the South Viet-Namese border, as a measure of legitimate self-defence. The bombing, whether by the Royal Lao Air Force or by the United States, only came after the interference by North Viet-Nam. "I cannot decently take the responsibility of leaving my soldiers and my people to the mercy of North Viet-Namese troops."

He, however, flatly denied a Hanoi charge that 12,000 American troops were stationed in Laos. He said that this was "completely false" and that "there are no American combat troops in Laos."

He said that the Soviet Union, which served as co-Chairman of the 1962 Geneva Conference on the "neutralization" of Laos, had indicated no interest in making new efforts to damp down the fighting. "Their answer is always the same—wait for a settlement of the Viet-Nam problem and then we will arrive at a solution for Laos."

Hanoi Denial:

On July 27, North Viet-Nam denied that it was trying to colonise Laos and turn it into a satellite.

The daily **Nhan Dan** called such allegations made by Prince Souvanna Phouma as nothing but slanders. It said: "Phouma's news conference obviously aimed at enlarging the campaign of slanders now being whipped up by the US and its henchmen to distort the war situation in Laos.

"The patriotic and progressive forces and the entire people of Laos have long been condemning Phouma for his betrayal of Laos' policy of peace, independence and neutrality. His shameful attitude at the July 25 news conference only proved more clearly his collusion with the US imperialists."

(The International Herald Tribune, Paris and **Patriot,** New Delhi)

[Prev. ref. 9095:LAO:A]

MALAYSIA

A. Tengku A. Rehman Suggests New Security Arrangements: In an interview published by the **Bangkok Post** on August 11, the Prime Minister, Tengku Abdul Rehman said that he was prepared to hold a conference with leaders of other South-East Asian nations to discuss his concept of a new Asian security arrangement based on mutual co-operation and self-help.

He said that the conference could be held "soon"—in Kuala Lumpur or anywhere else in the region—but he could not discuss its timing at this stage.

Meanwhile, he said, his Government would pursue a bilateral approach with other South-East Asian countries to assess their thinking on the subject and prepare the ground for the conference. "As you see, the preparation will take time."

He indicated that Thailand, Singapore and Indonesia were almost certain to be approached to join the conference, but he seemed to rule out both India and Pakistan. No reference was made to Japan or any of the Western Powers.

Although he declined to discuss how the proposed security arrangement would work, he indicated that in his view the existing border security arrangements between Malaysia and Thailand—as well as between Malaysia and Indonesia—could be "extended" to strengthen the defence of this region "against aggression from within and without."

Replying to a question, he admitted that he was obliged to think in terms of a new security arrangement partly because the recent five-Power defence talks in Canberra had not produced the results Malaysia expected. "The talks in Canberra did not give me a sense of confidence that we have been looking for."

However, in contrast to his earlier statement that the results of the Canberra talks were "useless", he said: "Australia is within her right to come to our help or not" and added that it was no good pretending as if the Canberra talks had not taken place.

He thus suggested what had been explained earlier by official sources that he was now prepared to take a cautious line in criticising the results of the Canberra talks or Australia's thinking about the defence of Malaysia.

(The Hindustan Times, New Delhi)

[Prev. ref. 8331:MAL:C, 8832:AOA: A]

NEPAL

A. US Aid For 14 Projects: The US Government on August 29 pledged Rs. 66.62 million to Nepal for utilization in 14 specific projects during the current fiscal year.

The amount did not include expenditure on provision of technical and commodity assistance.

All rupee support would be funneled out of the US PL 480 fund in India.

The Agreement provided for financial aid in the fields of agriculture, transport and communication, family planning, education and health programmes.

Construction of the Dhangadhi-Dandelhura road would be one of the projects which would be financed by US AID this year.

(The Times of India, New Delhi)

[Prev. ref. 8680:NEP:B]

B. Nepalese In Foreign Armies: The Foreign Minister, Mr. G. B. Rajbhandari, stated in the National Panchayat on August 26 that there were only 14,000 Nepalese in the Indian armed forces and 10,000 in the British Army.

In the British Army, the number of Nepalese had been reduced from 15,000 to 10,000 this year and by 1971 it would be cut to 6,000.

The policy of his Government, he said, was to reduce recruitment of Nepalese in foreign armies as much as possible.

He told the House that Nepalese personnel in foreign armies returning home would be rehabilitated and their experience would be used in the task of national development.

The mention that there were only 14,000 Nepalese in the Indian Army meant that other Gorkhas who numbered much more were Indian citizens. Even for this small number, the Indian Government had made *elaborate* arrangements for payment of pension by opening pension camps in remote hill areas.

(The Statesman, Calcutta)

[Prev. ref. 9018:NEP:A]

C. Relations With India—Mr. Y. Khanal's Views: In an interview in New Delhi on September 4, the Foreign Secretary, Mr. Yadunath Khanal, said that his country needed more, and not less, contact with its neighbours, including China. But, there need be no misgivings in India on this account in view of the traditionally close relations with Nepal.

He said: "There is a mutuality of interest between India and Nepal. So long as both countries want it, this mutuality can extend to any area."

Asked if the India-Nepal border could remain open if the policies of the two sovereign countries became sharply divergent, he replied: "There is no intention to make the policies of Nepal sharply divergent from those of India. Both India and Nepal believe in a policy of non-alignment. These policies are dictated by the needs of development in both the countries. Therefore, the impression in India that the policies of the two countries are sharply different is incorrect. There should be an attempt to accommodate the objective economic and political interests of the two countries rather than to describe them as divergent."

Referring to the Indian military presence on Nepal's northern borders, he said: "Whatever arrangement exists between India and Nepal must be on the basis of mutual agreement. The Indian Military Liaison Group came at Nepal's request to re-organize the Royal Nepalese Army. There has been military co-operation between our two countries in matters of training, equipment etc. We have deeply appreciated the readiness with which India has extended co-operation. This kind of co-operation is expected in future also when Nepal requests for it and when India is willing to respond. But the present position, as I see it, is that the Indian Military Liaison Group, having completed its work of re-organization, can be withdrawn without weakening the traditional ties between us."

On the Susta dispute between the two countries, he said: "It is true that the Susta problem has caused some feeling in Nepal. The border between India and Nepal is generally well-demarcated. This problem should be solved as early as possible. When the problems here and in a couple of other places are solved, permanent boundary pillars can be erected and the local officials should be instructed to inspect the pillars and keep them intact."

(The Times of India, New Delhi)

[Prev. ref. 8975:NEP:B, 9058:NEP:C]

PAKISTAN

SUMMARY: N-W Frontier Rebellion; Crisis In "Occupied" Kashmir; Indian Passenger Plane strays; Revival Of Pakistan National Congress; Agricultural Growth.

A. N-W Frontier Rebellion: It was disclosed on August 30 that troops had been rushed to the hilly Swat State on the North-West Frontier to quell a popular rising against the Central Government.

Karachi's mass circulation daily, **Jung**, and Lahore's **Nawa-e-Waqt** carried reports that Punjabi soldiers had been detailed to re-inforce the Army units in the frontier State and that they were meeting with stiff resistance from the people. Mobs had been taking out processions, shouting anti-Pakistan slogans and burning National Flags and President Yahya Khan's portrait and committing arson and looting in a mounting wave of fury against the Central Government.

The rising followed President Yahya Khan's decree, announced on July 28, merging the State, autonomous during the British **regime** and still held under the titular rule of the Wali of Swat, with West Pakistan. Two other frontier States, Dir and Chitral, were similiarly merged with Pakistan under the decree.

Significance was attached to the revolt in Swat in view of the fact that the former President F-M. Ayub Khan, had been living in Swat since he stepped down from power. His two daughters were married to the Wali's sons, one of whom was the heir-apparent. F-M. Ayub had also declared his intention to re-enter politics. In this move he was sure to get the support of his friend and ally, the ruler of Swat.

The Wali of Swat had held sway in his home State as an absolute monarch, and while he commanded the wealth and resources open to a feudal chief, he had also been able to stall, if not quell, a recent "Swati liberation movement." He had given the State schools, hospitals and roads and also built up a 6,000-man militia to back up his authoritarian rule.

Pakistan has claimed that the merging of the three frontier States was "a natural, historical process" and a decision long overdue was supported by the local population. And as though to prove the existence of a popular movement against the ruler of Swat and in support of merger, an attempt on the life of the Wali was made three days after the merger decree was announced, but the ruler escaped with minor injuries. The unidentified assailants escaped to West Pakistan and had not yet been apprehended.

The immediate result of this assassination attempt was mob retaliation against West Pakistanis, of whom many resided in Swat as traders. They were now being compelled to leave the State.

Clash With Pakhtoons:

According to the **Bakhtiar** news agency of the Afghan Government, Pakistani troops detailed to quell the revolt on the North-West Frontier had suffered casualties in clashes in the Bannu, Kohat and Khyber Pass areas.

The engagement with the Waziri tribesmen near Bannu was serious, according to the news agency, which did not mention the dates of the clashes or other details.

The Frontier people's freedom demand had now gained urgency, because the Government of Pakistan was, according to **Nawa-e-Waqt,** planning to take over the entire tribal areas lying between its borders and those of Afghanistan. The plan was to place the entire area, including the States of Chitral, Swat and Dir, under a commissioner who would be assisted by the Pakistani military authorities in the administration of the strategic region.

While a few West Pakistani politicians, including Khan Abdul Qayyum Khan, had supported the merger of the frontier States, the tribal chieftains themselves had expressed uncompromising opposition to it. Particularly unacceptable to the fierce, freedom-loving Pathans was the prospect of abolition of the tribal **jirgas** or assemblies, which had been functioning from time immemorial as their parliament, judiciary and Government.

Kabul Radio said in a recent broadcast that tribal chieftains in the Frontier region had expressed their firm determination to resist Pakistan's attempts to establish its sway over them.

The Government of Afghanistan had already lodged a strong protest to Pakistan against the decree merging the tribal States of Chitral, Swat and Dir into its West Wing. Afghanistan had also stated that it would not accept the legality of any steps taken by the administration of the former North-West Frontier area, which it referred to as "occupied" Pakhtoonistan.

(**Kabul Radio, The Times,** London and **The Times of India,** New Delhi)

[Prev ref. 6720:PAK:A, 8380:PAK:K]

B. Political Crisis In "Azad Kashmir": The Government of "Azad Kashmir" has been plunged into acute political crisis following the resignation of its so-called head, Mr. Abdul Hamid, on August 26.

Mr. Hamid, who was nominated as the head of the Government in September, 1968, resigned without giving any reasons. His resignation was taken as an indication of the desire of Gen. Yahya Khan to effect far-reaching changes in the working of the Government in occupied Kashmir. This became evident when Sardar Abdul Rashid, the newly-appointed Minister of Kashmir and Home Affairs, told newsmen in Karachi recently that the existing regulations regarding the "Azad Kashmir" Government were being thoroughly re-examined to synchronise them with administration in other parts of Pakistan.

The statement also indicated that the Governnment would try to exercise a more direct hold over political activity in "Azad Kashmir" where the demand for complete restoration of democratic rights had been gaining momentum.

The danger of a firmer grip by Pakistan authorities on their affairs had been apprehended by leaders of the Pak-held area. Three former Presidents of "Azad Kashmir," Sardar Ibrahim, Sardar Abdul Qayyum and Major Sher Ali, had demanded that "Azad Kashmir" should immediately be provided with a democratic set-up.

In a joint statement published in the mass circulation daily **Nawa-e-Waqt** on August 22, the three leaders said: "Azad Kashmir is the base camp for the liberation of the whole of the State of Jammu and Kashmir. It is, therefore, imperative that this area should have a completely democratic system of Government. With the present state of affairs where an irresponsible and ruthless bureaucracy has been ruling the area for the last 20 years, it becomes extremely difficult to convince the people at home or the world outside about the legitimacy of the Pakistani demand for the right of self-determination for the people of Kashmir."

(**Dawn,** Karachi and **The Hindustan Times,** New Delhi)

[Prev. ref. 6683:PAK:K, 6693:INI:A]

C. *Chinese Trade Caravan Arrives Through "Silk Route"*: A Chinese trade caravan was given a rousing welcome on August 24 when it arrived in Northern Pakistan to mark the re-opening of the historic "Silk Route" linking China with Central Asia and Europe.

The first party was made up of 50 pack camels and 16 Chinese traders on horseback. Villagers at the Pakistani border town of Misgar, high in the Karakoram mountains 127 miles north-east of Hunza State, cheered the Chinese on arrival.

The Chinese traders crossed the border at Mintaka on August 22. It took three days to travel the 24 miles to Misgar, described as one of the world's most difficult terrains. Pakistani officials and six Pakistani journalists flown in from Rawalpindi were among those who greeted them.

The old "Silk Route," which Marco Polo followed to ancient Cathay, had remained closed since 1940. In October, 1967, Pakistan and China had agreed to re-open the route.

(**The Pakistan Times,** Lahore)

[Prev. ref. 8486:PAK:F]

D. China To Set Up Guerrilla Training School In East Pakistan: According to a despatch on September 3, China had agreed to set up a guerrilla training school in East Pakistan to train officers and men of the Armed Forces.

Agreement to raise such a school was arrived at during the recent visit of Air Marshal Nur Khan, Chief of the Air Force, to Peking.

Under the Agreement, China will organize two courses a year—one for officers and another for other ranks of the armed forces.

In New Delhi, fears were expressed that the guerrillas trained by the Chinese would be used in Kashmir and Mizo Hills.

This report assumed greater significance in the context of reports that the Chinese had not only cut motorable roads through Pakistan-occupied Kashmir but had also sent troops, camouflaged as workers.

India had already protested to Pakistan about China being allowed to cut roads within legally Indian territory.

(**The Times of India,** New Delhi)

[Prev. ref. 8233:PAK:A]

E. New US Envoy: President R. Nixon on August 28 named Mr. Joseph Farland as US Ambassador to Pakistan in place of Mr. Benjamin Oehlert, who was retiring.

Mr Farland had held many other Ambassadorial posts.

(**The New York Times**)

[Prev. ref. 7887:PAK:B]

F. Indian Passenger Plane Strays: An Air Force jet accidentally fired as it flew to intercept an intruding Indian passenger plane on August 12.

One person on the ground was killed and three wounded in a village near Sialkot. Press reports at first attributed the casualties to an Indian bombing raid, but the Air Force statement made it clear the Indian plane involved was an unarmed Fokker Friendship airliner.

The statement said one of two jets sent up to investigate accidentally discharged its guns. It was likely that shrapnel had caused the casualties on the ground.

The airliner was allowed to return to Indian air-space, but Pakistan had lodged a protest against the intrusion.

(**Dawn,** Karachi and **The Times of India,** New Delhi)

[Prev. ref. 7560:INI:D]

G. Defence Of Pakistan Day: In a message on Defence of Pakistan Day on September 6, marking the India-Pakistan conflict in 1965, President Yahya Khan said: "Pakistan has no aggressive desires against any country—least of all against its immediate neighbours.

"Pakistan is a peace-loving country. It needs peace for its progress and to help its people achieve a decent standard of living."

He, however, added that his statement was "not to be misconstrued as a sence of complacency. Pakistan is conscious of all threats to its security and is ever watchful and ready to meet them with all the force at its command."

(**The Pakistan Times**, Lahore)

[Prev. ref. 7994:PAK:A]

H. Martial Law Administrator In West Pakistan Replaced: Radio Pakistan announced on August 28 that President Yahya Khan had removed Lt.-Gen. Atiquer Rehman from his post as the Martial Law Administrator of West Pakistan.

He was replaced by Lt.-Gen. Tikka Khan.

(Radio Pakistan)

[Prev. ref. 8926:PAK:A]

I. Revival Of Pakistan National Congress: It was disclosed in Lahore on August 28 that the Pakistan National Congress had been revived after ten years of eclipse.

The General Secretary of the Pakistan National Congress, Mr. Manoranjan Dhar, who was once a Minister in East Pakistan said in Dacca that it had been decided to take all steps immediately to re-organize the party. The decision was taken at a meeting of its erstwhile members and supporters in Dacca on August 17. An organizing committee with Mr B. C. Nandy as convenor was formed with a view to holding a convention in the next 40 days.

So long committed to the joint electorate, Mr. Dhar said: "A grave doubt has arisen in the minds of a very large section of the minority community as to the efficiency and expediency of retaining the principle of the joint electorate."

[The Pakistan National Congress, along with other political parties, was banned in 1958 when F-M Ayub Khan took over as President. Though later other political parties were revived, the Congress leaders did not make any effort to resume the activities of the party.]

(The Pakistan Times, Lahore)

[Prev. ref. 2309:PAK:A]

J. Dacca-Rawalpindi Air-link: On August 14, the Pakistan International Airlines began operating a daily non-stop jet service between Rawalpindi and Dacca.

The new service is in addition to the existing Dacca-Rawalpindi flights via Lahore.

The Dacca-Karachi services continue to operate as usual.

(**Pakistan High Commission**, New Delhi)

[Prev. ref. 8095:PAK:D]

K. Two More Ships Being Built: It was officially stated in Karachi that six more ships would be added to the fleet of the National Shipping Corporation by 1972, raising the strength of the fleet to 32.

The two ships are under construction at the Karachi Shipyard. One of them would be delivered next year (1970) and the other in 1971. The ships will have a combined capacity of over 25,000 tons and will cost $7.61 million.

Two Yugoslav-built cargo vessels would be delivered to the National Shipping Corporation in 1971.

The Corporation has also ordered two tankers from Yugoslavia. Each has a capacity of 35,000 tons.

(**Pakistan High Commission,** New Delhi)

[Prev. ref. 5693:PAK:C, 6154:PAK:A]

L. Chalna Port Construction: Construction of Chalna Port in East Pakistan, with a capacity of five million tons of cargo per year, will be completed at a cost of $52.52 million by March, 1972.

This was stated by Mr. Momirov, Project-Incharge of the two Yugoslav enterprises, Messrs Ivan Milutinovic and Brodo Impeks, which had won the contract for the construction of this gigantic project in July, 1967.

He said that out of the total cost of the project, $23.15 million was in foreign exchange which was being provided by the Government of Yugoslavia under a Credit Agreement with the Pakistan Government.

The project, covering 700 acres, is divided into three phases. The first phase of designing the whole project had already been done by the Yugoslav firms. The second and third phases of the work were the filling of the area and construction of buildings and structures of the port.

More than 1,500 vessels will be able to discharge and load at Chalna port every year after its expansion is completed.

(**Pakistan High Commission,** New Delhi)

[Prev. ref. 8393:PAK:E]

M. Sugarcane Production: According to estimates released by the Agriculture Ministry, the production of sugarcane (stripped cane) during 1968-69 was placed at 28,921,000 tons as against 25,954,000 tons last year (1967-68) and showed an increase of 11.4 per cent.

In East Pakistan, the production was estimated at 7,297,000 tons in 1968-69 as against 7,589,000 tons in 1967-68, registering a decrease of 3.9 per cent. This was due to decrease in area and unfavourable weather conditions like floods.

In West Pakistan, the production was estimated at 21,624,000 tons as compared to 18,365,000 tons estimated in 1967-68, indicating an increase of 17.7 per cent. This increase, observed in all the divisions of the Province, was due to the increased acreage and better cultural practices ensuring greater application of various production inputs and effective plant protection coverage.

(**Pakistan High Commission,** New Delhi)

[Prev. ref. 7717:PAK:I, 8333:PAK:B]

N. Agricultural Growth In West Wing: The growth in agriculture in West Pakistan during the last three years has been described as "unprecedented" in a budgetary document published by the Board of Planning and Development.

According to the document, in 1967-68 alone, an all-time high of 11.7 per cent growth was achieved. In 1968-69 the growth was 6.2 per cent.

The average growth rate for the first four years of the Plan was six per cent per annum against 3.8 per cent in the Second Plan period and 1.4 per cent during the First Plan.

The document ascribed the growth in the agriculture sector to the successful implementation of the food self-sufficiency programme launched in early 1967.

Making a brief reference to rice and wheat crops during the period under review, the document added that the acreage under improved varieties like Irri-rice increased from 20,000 acres in 1967-68 to 0.75 million acres in 1968-69. The rice production during the same period increased from 1.46 million tons to 2.09 million tons, showing an increase of almost 50 per cent.

The production of 1968-69 exceeded the original Plan target by 0.37 million tons, one year ahead of schedule. The increase in 1968-69 over the previous year was described to be more than 100 per cent.

The production estimate for 1968-69 crop placed wheat production at 6.8 million tons against a target of 6.5 million tons for the period and an actual production of 6.3 million tons in 1967-68. The other crops also registered progress in varying degrees.

(**Pakistan High Commission,** New Delhi)

[Prev. ref. 8610:PAK:F]

O. Independence Day Message By President Yahya Khan: *In a message to the people on the occasion of the 22nd anniversary of Independence on August 14, President Yahya Khan called for developing workable political institutions.*

He said: "Our struggle for independence did not end with the transfer of sovereignty and power from the British to our people. Real and meaningful independence has many more dimensions. The people must have full right to exercise their sovereign power. They must ensure for themselves freedom from hunger and disease.

"We have to discard and unlearn our pre-occupation with selfish pursuits for material gains at the cost of the community and in the larger interests of the nation....We have to remember not to forget the idealism which fired the imagination and guided the activities of fighters for freedom and allow some chastening forces to determine the course of our life and activities.

"Let us pray so that we may get back our bearing and correct and reset our course, rekindle the road so that we may reach our destination, where the people could exercise their sovereign rights and where social justice prevails and where the welfare of the individual is part and parcel of the welfare of the community."

The day was a closed holiday and the National Flag flew atop principal buildings. The day was heralded by a 31-gun salute in Rawalpindi and a 21-gun salute each in Lahore and Dacca.

President Yahya Khan conferred 634 awards to civilians, personnel of armed forces, police, scientists, artistes, literateurs, teachers, students and sportsmen in recognition of their services.

(**The Hindustan Times,** New Delhi and **Pakistan High Commission,** New Delhi)

[Prev. ref. 8514:PAK:A]

P. Provincial Governors Named: The President, Gen. Yahya Khan, who is also Chief Martial Law Administrator, on August 15 appointed his two deputies as Governors of the two Provinces.

Air Marshal Nur Khan, who was Deputy Chief Martial Law Administrator of West Pakistan and Vice-Admiral S. M. Ahsan, also Deputy Chief Martial Law Administrator, became Governors of West Pakistan and East Pakistan, respectively.

Air Marshal Nur Khan and Vice-Admiral Ahsan, who were Commanders-in-Chief of the Air Force and Navy, respectively, were re-placed by Air Vice-Marshal A. Rahim Khan and Rear Admiral Muzaffar Hasan as Chiefs of the Services. as also Deputy Chief Martial Law Administrators.

(**The Pakistan Times,** Lahore)

[Prev. ref. 8926:PAK:A]

PHILIPPINES

A. President R. Nixon's Visit: President Richard Nixon of USA arrived in Manila on July 26 on the first lap of his Asian tour that took him to Indonesia, Thailand, South Viet-Nam, India and Pakistan.

At Manila airport, he was received by President Ferdinand Marcos and other Filipino leaders. Crowds cheered as the two leaders drove to Malacanang Palace from the airport.

Manila newspapers also welcomed President Nixon warmly, but hinted that the brevity of his stay meant he would achieve nothing more than the opening of the way for future dialogue.

President Nixon let it be known he was ready to give his hosts any details they wanted on the progress of his Viet-Nam peace plan, the next stage of which was still secret.

He declared soon after arrival: "I will also offer our view that peace and progress in Asia must be shaped and protected primarily by Asian hands and that the contribution which my country can make to that process should come as a supplement to Asian energies and in response to Asian leadership."

He also pledged to seek the counsel of Asian leaders on important problems in all parts of the world.

Talks:

A Manila report said on July 26 that at high-level talks, the Philippines and USA agreed, in principle, that American bases in this country should be retained.

They also agreed on the need for early negotiations on a new agreement to replace the existing Laurel-Langley instrument which governs the trade between the two countries. These were the major specific problems of a bilateral nature covered during discussions between President Nixon and President Marcos.

A statement issued after the meeting said that there was a "wide range of discussions of issues of common interest to the two countries". It added: "Particular attention was focussed on economic and trade matters, defence and developments in Viet-Nam".

Discussions were of a very general nature, and started off with Viet-Nam. Informed sources said that there was no discussion at all on the question of a possible withdrawal of the Philippine non-combatant contingent (Phicag) in South Viet-Nam.

However, several problems or "irritations" remained to be ironed out, particularly the question of civil jurisdiction over the bases which the Philippines wanted to be transferred to it.

Before his departure for Djakarta on July 27, Mr. Nixon said both he and President Marcos understood that the people of Asia must seek Asian solutions to Asian problems, and it was in that frame-work that USA could best contribute to the region's peaceful development.

Describing their talks as "most frank and sincere", Mr Marcos said: "All of us have come to realize that in the ultimate analysis we have none to run to because those to whom we used to run are themselves presently occupied with the problems of power and of complex anxieties, and currently face the prospect of having to make far-reaching re-appraisals of their roles in a pluralistic universe."

(**The New York Times, USIS** and **The Statesman,** Calcutta)

[Prev. ref. 8774:PHI:A]

SIKKIM

A. Influx Of Tibetan Refugees: Over a dozen Tibetan refugees crossed into Sikkim from the north during August. All of them were stated to belong to the higher strata of Tibetan society.

They crossed into Sikkim in two batches with baggage. One of the refugees even managed to bring his horse with him. The refugees were believed to have met with no opposition from the Chinese while escaping to Sikkim. The Chinese had continually harassed them when they persisted in giving wrong interpretation of Mr. Mao's thoughts to the illiterate Tibetans.

(**The Statesman**, Calcutta)

[Prev. ref. 7129:INI:M]

SYRIA

A. Trade And Payments Agreement With Pakistan: Syria and Pakistan concluded in Damascus on August 11 a Trade and Payments Agreement.

It replaced the Agreement concluded by the two countries in 1960. It would be valid for one year.

Under the Agreement, Syria will import raw wool, carpets, tyres and pharmaceuticals from Pakistan and export to that country cereals, cotton, dry vegetables and other agricultural products, yarn, nylon and industrial products.

(**The Baghdad Observer**)

[Prev. ref. 5920:PAK:F]

B. TWA Airliner Hijacked By Arab Commandos: A Trans-World Airlines Boeing-707 was hijacked by two Arab commandos to Damascus on August 29 and was rocked by an explosion in its cockpit minutes after it landed in Damascus.

The two commandos threatened the crew with a primed hand-grenade. The airliner's pilot, Capt. Dean Canter, said: "They had pulled the pins from the hand-grenade and they had pistols. We did not argue."

Four of the 116 people aboard were reported to have been injured in a scramble to get out of the aircraft after the pilot warned that a time bomb was about to go off.

Four hours after the plane touched down, all the passengers except the Israelis were taken in buses to closely guarded hotels in Damascus where they spent the night as guests of the airport authorities. The Israelis remained at the airport.

In Rome, airport sources said that two Arabs were aboard the plane. According to UAR sources, a message read by a woman's voice was monitored by the control tower at Cairo airport shortly before the hijacked plane landed at Damascus.

It said: "We are members of the Che Guevara group of the Front. We have seized aircraft 840 of the TWA which was flying to Lod (Israel). Long live Free Palestine. Long live the Palestinian people."

The four Israeli women passengers aboard the TWA Boeing were repatriated to Rome later.

In Amman, the Popular Front for the Liberation of Palestine claimed full responsibility for the hijacking. The Front, quoted by **Cairo Radio**, said that its aim was to capture a senior Israeli official responsible for the death and hardship of many Palestinian men, women and children.

(**The Egyptian Gazette**, Cairo and **The Times**, London)

[Prev. ref. 8482:ISR:A]

THAILAND

A. ECAFE Programme Of Petro-chemical Ventures: Senior officials of Asian countries at a meeting held in Bangkok under the auspices of the Asian Industrial Development Council of ECAFE from July 21 to 25 proposed establishment of new petro-chemical plants in Asia as joint ventures, each involving two, three or four participating countries.

The meeting brought together representatives of Formosa, India, Indonesia, Iran, South Korea, the Philippines, Singapore and Thailand. The participating countries indicated willingness to consider participation in the projects, subject to examination of detailed reports to be prepared as the next step.

The projects identified as desirable were:

(1) South-East Asia Petrochemical Complex, to be situated in the Philippines or Singapore, with the participation of Indonesia, the Philippines and Singapore;

(2) A caprolactam plant, to produce the raw material for nylon, to be located in Indonesia with the participation of Indonesia and the Philippines;

(3) A plant for production of styrene monomer (the raw material for polystyrene plastics, a comparatively inexpensive type) to be situated in Formosa with purchases planned by South Korea and the Philippines;

(4) A melamine plant to produce a durable plastic used, for example, in dinner-ware, to be situated in India, with joint participation by India, Iran, the Philippines and possibly Indonesia;

(5) A project for production of tetra-ethyl lead (which is added to gasoline for higher octane ratings and for aircraft use), foreseen for India as a joint venture of India and Iran;

(6) A plant to produce ethylene glycol, a raw material for synthetic polyester fibres, to be located in South Korea with purchases planned by Formosa;

(7) A project for production of petroleum coke, needed for the aluminium industry, for example, to be located in Formosa with purchases planned by South Korea.

A report adopted by the meeting of senior officials in the petro-chemical industry outlined specific proposals for each project, including plant sizes, and suggested dates for the completion of detailed feasibility studies.

Regarding the South-East Asia petro-chemical complex proposed for either the Philippines or Singapore, the officials agreed that the Asian Industrial Development Council (AIDC) would be requested to help in obtaining services for the feasibility report from such sources as France, West Germany, Japan or India or through the United Nations Industrial Development Organization (UNIDO). It was proposed that some of the feasibility studies should be completed before the end of 1969.

The group agreed that the AIDC should invite the participation of other countries which had indicated interest in the joint development of petro-chemical projects but could not attend the session. These countries included Brunei, Malaysia, Pakistan and South Viet-Nam.

In addition, the group agreed to consider at later meetings the possibility of further joint ventures.

Although discussion centred on products based directly on petro-chemicals, "the meeting also considered that the joint venture production of pesticides would be of interest to the region." The group proposed that AIDC prepare a pre-feasibility study on pesticides, for consideration by interested member-countries.

The meeting noted with appreciation, an offer of the Government of India inviting representatives of the participating countries, and other countries of the region, to visit petro-chemical plants established in India and to discuss with the Indian authorities the problems faced by that country in the development of its petro-chemical industry.

(**UN Newsletter**)

[Prev. ref. 8729:INI:H]

B. Secret Defence Pact With USA: The **Washington Post** reported on August 17 that the secret 1965 American-Thai "military contingency plan" (see page 9126) would send US troops into action under Thailand's command if it ever came into force.

If Thailand was threatened by the advance of North Viet-Namese and Pathet Lao forces across Laos, US troops could be committed to Thailand under the plan—provided that both nations ordered it into effect.

In that event, the newspaper quoting informed sources said, Thailand's Prime Minister, Field-Marshal Thanom Kittikachorn, would be the top allied commander under the contingency programme. The plan provides for the ground commander to be the US military assistance commander who, in 1965, was Lt-Gen. *Richard Stilwell.* He signed the plan on behalf of the United States.

A US State Department spokesman, while refusing to discuss the contents of the plan on the grounds that that was up to the Defence Deparment, emphasized that it was in no way self-executing. The plan was the centre of a running dispute *with the Senate Foreign Relations Committee.*

The State Department Press Officer, Mr. Robert J. McCloskey, said: "We made clear at the time we acknowledged its existence that the plan specifically states it cannot be carried into effect without the specific agreement of both the Thai and the US Governments. This contingency military planning has not expanded our defence commitment to Thailand beyond that already contained in the S-EATO Treaty."

Furthermore, he said, the plan "involves no commitment by the United States to any specific military action and that is made clear in the planning document itself."

He described the plan as "a bilateral US-Thai military contingency plan which involves the defence of Thailand against an external threat."

Earlier, on August 9 in Washington, Senator J. William Fulbright, Chairman of the US Senate Foreign Relations Committee, charged that the Defence Department had been contemptuous of him in refusing to disclose documents on US commitments to Thailand and South Korea.

He said he was concerned that the plan between the United States and Thailand went beyond commitments in the S-EATO Treaty.

He told the Senate he had "some reason to believe that the Department of State itself is not allowed to have a copy of the Thailand contingency plan despite the fact that the plan could very well involve us in another Viet-Nam-type war."

He said he had learnt that the plan "provides, in certain circumstances, for the commitment of substantial number of American troops to Thailand. He said he could not discuss these provisions in more detail at this time because of its top secret classification.

(**The International Herald Tribune,** Paris and **The New York Times**)

[Prev. ref. 9126:THI:A]

TURKEY

A. Changes In Military Command: The General Staff announced in Ankara on August 25 a shuffle in top command posts including appointment of new Commanders for the Army and Air Force.

Gen. Muhsin Batur, formerly Supreme Military Council member, replaced Gen. Resat Mater as Air Force Commander and the Army Commander, Gen. Fikret Esen, was replaced by Gen. Nazmi Karakoc, formerly Second Army Commander.

(**The Times,** London)

[Prev. ref. 8571:TUR:A]

VIET-NAM (DR)

A. Return Of Three American POWs: A month after the announcement of their release on the occasion of American Independence Day—July 4—three US prisoners of war were handed over on August 4 by North Viet-Nam to a delegation of US pacifists.

They were named as Capt. Wesley Lewis Rumble, US Air Force, who was shot down over Ouang Binh in April, 1969; Lt. Robert Frenchot Frishman, US Navy, who was shot down over Hanoi in October, 1967; and Apprentice Seaman Douglas Brent Hegdahl, of the cruiser **Canberra,** who was captured in April, 1967.

At the handing over ceremony, Mrs. Bui Thican, a representative of "The Viet-Namese Committee for Solidarity with the American People" repeated the policy regarding pilots "caught redhanded committing a crime against Viet-Nam." They were guilty of breaking North Viet-Namese law, she said, and could not claim protection under the Geneva Convention of 1949.

The pilots, she said, had been treated "in a manner conforming with the Government's humanitarian policy". They were given medical treatment if wounded or ill. In detention camps they were given food, clothing and other things necessary to life and were usually allowed to write to their families.

One of the US delegation, in reply to Mrs. Bui, condemned the Nixon Administration and advocated a "total and unconditional immediate withdrawal" of United States troops from South Viet-Nam and the closing of American bases in South Viet-Nam territory.

(**The Times,** London)

[Prev. ref. 8930:AOA:E, 9100:VND:A]

B. Agricultural Co-operatives: The National Assembly Standing Committee has ratified legislation on the statutes of "first degree agricultural co-operatives."

The Press hailed it on August 17 as an essential contribution to the building of a socialist State.

First degree co-operatives are those in which the land, the means of production and labour are totally collectivised. They represent 77 per cent of the country's 23,000 old co-operatives.

The legislation not only sets rules for their management but also for the gradual shifting to first degree co-operatives of second-degree farms where members are paid in proportion to their contribution in land and means of production.

Under the statutes, land will become the property of the collective except for five per cent that will be privately owned by members of the co-operatives. All means of production will belong to the co-operative and work will be done by teams under the supervision of an elected brigade-leader.

An elected managing committee will look after administrative and budgetary problems.

(**The Hindu,** Madras)

[Prev. ref. 7767:VND:A]

VIET-NAM (RVN)

A. National Social Democratic Front Urges Removal Of Premier: President Nguyen Van Thieu's political alliance—the National Social

Democratic Front—asked him on August 8 to remove the Premier, Mr. Tran Van Huong from office.

The call for Mr. Huong's removal came at a time when Mr. Thieu was known to be contemplating a re-shuffling of his Cabinet.

The consensus among observers in Saigon was that the public demand for Mr. Huong's ouster would not have been issued without Mr. Thieu's approval.

The call was contained in a petition signed by the six leaders of the political parties that make up Mr. Thieu's recently formed Alliance. They urged that a new Premier be appointed in an effort to improve national prestige.

The petition said in part: "We propose that President Thieu appoint a new Premier who has the prestige and the ability to carry out any measure introduced by the President. Premier Tran Van Huong should be replaced soon, and the projected re-organization of the Cabinet should be completed to deal with the current situation in the country."

The petition was signed by the principal figures in the Front, which Mr. *Thieu* unveiled last May. He described the organization as a first step in unifying the nationalist forces in the South in preparation for "the coming political struggle with the Communists."

Ever since the formation of the Front, observers have been expecting a Cabinet change that would bring most of the Front's leaders into the Government. On June 19, sources at the Presidential Palace leaked the news that Mr. Thieu was contemplating such a re-shuffling and was discussing the matter with Mr. Huong. The sources reported that Mr. Thieu would like Mr. Huong to resign, but that the President was unwilling to exercise his constitutional right to dismiss him. The latest petition was seen as a manoeuvre designed to apply pressure on Mr. Huong to resign.

(The New York Times)

[Prev. ref. 8927:RVN:A]

B. Mr. Tran Van Huong Resigns Premiership: Mr. Tran Van Huong resigned as Prime Minister on August 22 after a five-week impasse over efforts to re-shuffle the Cabinet.

A joint statement issued after a meeting between Mr. Huong and President Thieu at the Presidential Palace said that the decision was dictated "by the needs and supreme interests of the country, and by no other motives".

It added that Mr. Huong, who had been Prime Minister for 15 months, had promised to co-operate with President Thieu if required for any mission at any time, but gave no other details.

Mr Huong, a coolie's son who has twice been Prime Minister had come under increasing criticism for unpopular economic moves. In July, 92 Deputies—more than two-thirds of the Lower House—had called for his removal as Prime Minister. The demand was repeated by President Thieu's own political supporters, the National Social Democratic Front. In March, Mr. Huong had narrowly escaped assassination when two gunmen fired a volley of shots at his car in a Saigon street. Ringleaders of the plot were sentenced to hard labour for life.

Mr. Huong (65) is a strong advocate of a united Viet-Nam, and commands considerable support among southern peasants and urban workers with whom he has always identified himself.

Gen. Tran Thien Khiem Appointed:

On August 23, President Thieu chose Gen. Tran Thien Khiem, a close and powerful friend, to be the new Premier.

The appointment was the strongest indication that President Thieu was not yet ready to move toward the political Left, where true popular support and a greater possibility of some accomodation with the Viet-Cong lay.

Mr. Thieu's six-week struggle to oust Mr. Huong, who was charged with inefficiency, left much bitterness. Political sources reported that prospective Ministers were inclined to let some of the dust settle before accepting or rejecting the appointment.

Gen. Khiem (43) has four stars and is technically the highest-ranking military man in South Viet-Nam. He is strongly Rightist.

(The Times, London and The New York Times)

[Prev. ref. 8532:RVN:A]

C. Army Command Shake-up: The Saigon Government announced on August 8 a major shake-up of Generals in the Army, including the transfer of two widely criticised Divisional Commanders.

The two Divisional Commanders who were transferred had led the 5 and 18 Divisions, rated by US officials as the least efficient units in the South Viet-Namese Army.

The 18 Division was taken over by Brig-Gen Lam Quang Tho, who formerly commanded the Thu Duc Infantry School just outside Saigon.

The 5 Division was taken over by Maj-Gen Nguyen Van Hieu, who formerly was a Division Commander in the central highlands.

Both the 5th and the 18th Divisions are stationed near Saigon and in the past have frequently been little more than garrison troops.

Gen. Creighton W. Abrams, the US Commander in Viet-Nam, was known to have told Washington that these two Divisions would have to be improved if the South Viet-Namese Army was to have any chance of holding its own when the Americans pulled out.

(The New York Times)

[Prev. ref. 8531:RVN:A, 9002:RVN:A]

D. President R. Nixon's Visit: President Richard Nixon of USA on July 30 paid a whirlwind visit to Saigon.

He paid a call on troops of the Ist Infantry Division at Di An, a relatively secure base located 12 miles north of Saigon. He spent about 5½ hours in Viet-Nam and then returned to Bangkok.

He also managed to squeeze in two hours of talks with President Nguyen Van Thieu and, on the plane that carried him from Bangkok to Saigon, an hour with Gen. Creighton W. Abrams, commander of US troops in South Viet-Nam.

In the course of these sessions, Mr. Nixon was said to have discussed with Mr. Thieu the rate and magnitude of future troop withdrawals, expressed interest in the possible meanings of the current lull in the fighting despite the obvious efforts of his military commanders to dismiss it as having little or no diplomatic significance, and reviewed with Gen. Abrams possible changes in military tactics to diminish casualties, shore up his public support at home, and strengthen his hands in the Paris peace negotiations.

President Nixon suggested over and over that the situation of the allies was such that the North Viet-Namese should not expect further concessions. "I believe the record is clear", he said following his meeting with Mr. Thieu at the Presidential Palace in Saigon, "as to which side has gone the extra mile in behalf of peace. We have withdrawn 25,000 American troops. They have been replaced by South Viet-Namese. We have made and you (President Thieu) have made a peace offer which is as generous as any ever made in the history of warfare."

He added: "We have gone as far now as we can or should go in opening the door to peace, and now it is time for the other side to respond."

PRG Criticism:

Representatives of the Provisional Revolutionary Government (PRG) in Paris denounced President Nixon's Saigon trip as an attempt to boost the morale of American troops and prop up the Thieu regime.

A PRG spokesman, in a formal statement, ignored Mr. Nixon's appeal to North Viet-Nam and the Viet-Cong to open "serious" talks in Paris backed by a warning that the allies had gone as far as possible in their concessions.

He said: "We believe that Mr. Nixon's trip to Saigon was made in order to try to boost the morale of the American troops and of the Thieu - Ky - Huong administration, which is in full disarray and which is struggling with sharp contradictions arising from the defeats inflicted upon it.

"Nixon's *trip shows* the South Viet-Namese population more clearly than ever the obstinacy of the Nixon Government to pursue its war of aggression in South Viet-Nam and to maintain in power the administration of Thieu-Ky-Huong—a warlike, corrupt and dictatorial administration."

(The New York Times)

[Prev. ref. 8531:RVN:A, 9096:RVN: A]

YEMEN

A. President A. R. Iryani Takes Over As Army Chief: News agency reports, quoting informed sources in Beirut, said on August 6 that President Kadi Abdel Rahman al Iryani had taken over command of his country's Armed Forces.

The Yemen, for years torn by a civil war between Royalists and Republicans, was plunged into a new crisis in July after the Prime Minister, Gen. Hassan al Amri—upto then Supreme Military Commander—had stepped down and had quit his military post. Since his resignation, he had been in Cairo, which during the civil war had given strong military support to the Republicans.

Observers pointed out that the main reason why Gen. Amri had stepped down was that his plans to reduce the size and influence of the country's Army—and so help the country out of its difficult financial situation—had run into heavy criticism from other members of the Government, and from military leaders themselves.

Brig. Abdel Latif Difalla—previously Chief of Staff and now Deputy Commander of the Army—had lived in Lebanon for a spell in exile. Following the step-down by Gen. Amri, the Brigadier was appointed temporary military Commander-in-Chief. The fact that his appointment was not turned into a permanent position was seen by observers as proof that President Iryani himself wanted to keep the reins of army command tightly in his own hands.

(Dawn, Karachi)

[Prev. ref. 8488:YEM:A, 8573:YEM: B]

B. Chinese Aid For Road Project: Chinese engineers have resumed work on a 142-mile road from Sanaa, the capital, to the town of Sada, near the Saudi Arabian border.

The road, which is being financed by a £10 million loan from Peking under an Agreement signed in 1964, should have been completed earlier, but work was held up by the war with the royalists.

Since December, 1968 there had been no fighting in the country, and the authorities now expected the road to be ready in three years.

(The Times, London)

[Prev. ref. 5925:YEM:A]

C. New Cabinet: According to **Sana'a Radio,** a young engineer, Mr. Abdulla Alkurshumi, formed a new Cabinet on September 2.

The Government included four Deputy Prime Ministers and 13 Ministers.

It replaced the former Cabinet headed by Gen. Hassan Al Amri, who resigned two months earlier.

Most of the members of the new Cabinet are moderates who served in previous Governments.

(The Times, London)

[Prev. ref. 8573:YEM:A]

D. Last Royalist Stronghold Captured: Sana'a Radio said on September 6 that the last major Royalist stronghold been captured by Republican forces.

Quoting the Commander of the Republican troops, it said troops had entered the town of Sada in a remote northern region of Yemen, killing 50 Royalists and capturing arms and ammunition.

(The Times, London)

[Prev. ref. 8725:YEM:B]

SPORT

A. **Rod Laver's "Grand Slam":** Rod Laver (31) wrote an epic page in tennis history on September 8 when he won the money-laden United States Open Championship and achieved the "grand slam" for the second time.

Laver beat fellow Australian left-hander Tony Roche 7-9, 6-1, 6-2, 6-2 in the men's singles final to win the first prize of $16,000 (about Rs. 1,20,000)—the largest in the history of sport.

Laver had already won the Australian, French and Wimbledon crowns and completed the first "grand slam" of the four major tournaments in one season since the game was thrown open to both amateurs and professionals.

Laver became only the second player to achieve the "grand slam" in 1962 when he was still an amateur. The only other player to win all four top trophies in the same season was Donald Budge (USA).

(The New York Times)

[Prev. ref. 5036:SPO:A, 8534:SPO: A]

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BURMA

A. U Nu Forms New Political Party: U Nu, who was removed as Prime Minister by Gen. Ne Win in the 1962 coup, announced at a news conference in London on August 29 the formation of a Parliamentary Democracy Party with himself as leader.

He hoped that the response within Burma would enable him to displace Gen. Ne Win peacefully; but, failing that, insurrection of some kind would be the only answer.

He admitted that violence was against his Buddhist faith: nevertheless, when occasion demanded it there might be no choice.

For the present, he would be conducting a campaign outside Burma, visiting America shortly and then returning via Japan and Kong Kong to his base in Bangkok. Whether Bangkok could remain his base, now that he had announced his plan for opposition, would depend on permission from the Thai Government. He had chosen London as the place from which to start because it was the city with the best record as a place of refuge for those fleeing from tyrannical **regimes.**

Together with many other political leaders who had been kept in detention by Gen. Ne Win, U Nu had been released in 1967. The following year, he said, had been an even more retrograde one in Burma than the earlier years of Gen. Ne Win's military rule, notably in the power of insurgent minorities, including the White Flag Communists now openly backed by China. Gen. Ne Win had then appointed a committee of 33 former leaders seeking advice on national unity. They recommended a return to constitutional government, the majority being in favour of parliamentary democracy. In addition, U Nu himself had suggested to Gen Ne Win that he should resume the role of Prime Minister at the head of a national government and that the General could then serve as constitutional Head of State.

U Nu said that the recommendations submitted by the committee at the end of May had not yet drawn any response from Gen. Ne Win, but he had recently rejected the proposal for the formation of a national government with U Nu as Prime Minister.

U Nu had been able to leave Burma on the plea of a Buddhist pilgrimage to India, but he had come to London from Bangkok where several other expatriate leaders were living, all of them sharing his opposition to Gen. Ne Win's rule.

He denied that the General had been justified in taking power in 1962 with the plea that the Union of Burma was breaking up because of concessions about to be made by the U Nu Government at that time. On the contrary, the Shans, for example, did not want to secede, they only wanted more autonomy.

Fund-Raising Campaign Launched In USA:

Later, on September 11, talking to newsmen in New York, he said he was launching a fund-raising campaign in USA to support a movement to overthrow—by force, if necessary—the present **regime** in his country.

He said: "I am no flaming revolutionary. I believe in peace and universal friendship. I have deep and abiding faith in democracy and representative government. I have been advised not to mention the word force. But this I cannot do when freedom is trampled upon, when words and protests fail."

He labelled the Government of Gen. Ne Win as an "outright dictatorship". "There is no proper government in Burma—only a secret society. Laws are promulgated as surprise announcements to take immediate effect."

Asked if he believed his movement to overthrow Gen. Ne Win could be successful, he said: "Yes, because the people are with us. After we have occupied several areas, we will organize a regular army. But we do not want to end it as quickly as possible."

He said his objective was to raise $4 million in USA. "If unforeseen circumstances arise, we may need more, but it is also possible we may need less."

(**The Times**, London and **The Times of India**, New Delhi)

[Prev. ref. 9015:BUR:A]

CEYLON

A. Asian Coconut Community Inaugurated: The Asian Coconut Community, the first association of Asian producers organized on a commodity basis to promote, coordinate and harmonize activities of the coconut industry with a view to achieving maximum economic development, was formally inaugurated on September 2 in Colombo.

A flag ceremony on September 2 was followed by a declaration of entry into force of the Agreement and the installation of the representative of Ceylon as the first Chairman of the Community, in accordance with the constitution of the Community.

The Agreement establishing the Asian Coconut Community, concluded in 1968 in Bangkok among the major Asian coconut-producing countries, was opened for signature on December 12, 1968 at ECAFE headquarters. So far, four countries—Ceylon, India, Indonesia and the Philippines—had ratified the Agreement. Two other countries—Malaysia and Thailand—had signed the Agreement but had not yet ratified it.

(UN Newsletter)

[Prev. ref 7680:THI:A]

CHINA

A. Soviet Warning Of Nuclear War: An article in the Russian newspaper **Pravda** on August 28 warned China that if war broke out "with the existing weapons, lethal armaments and modern means of delivery, it would not spare a single continent."

The article said that even some Western leaders had a more sober view of the dangers of war than China, whose policies were "fraught with the threat to the preservation of general peace."

The article, entitled "Peking's Adventurist Course" and unsigned, said that the Chinese people were undergoing "mass brain-washing in the spirit of hostility to the Soviet Union, which allegedly threatens China with war." This campaign was being intensified since the armed clash on the Sinkiang-Kazakhstan border. The border incidents were aimed at "transfusing fresh blood" into the quarrel, and distracting attention from the domestic difficulties of the Chinese people. Mr. Mao Tse-tung's aim was to establish Chinese domination over the "third world" and give China the status of a super-Power. The Chinese had demonstrated their hostility to socialism by attacking Russia for its policies in Czechoslovakia.

The article echoed Mr. L. Brezhnev's statement on China to the World Communist Conference this year (see page 9153) by saying: "There is a great distance between the schemes of the Maoists, their noisy threats addressed to the Soviet Union and the actual possibilities of realizing them."

But, it added: "Not only in countries which are neighbours of China but also in other countries, anxiety is being expressed over Peking's expansionist ambitions. The military *arsenals of the Maoists are being filled with ever new weapons.* Yet a war, *should it break out in present-day* conditions with the exis*ting weaponry*, lethal armaments, and modern means of delivery, would not spare a single continent."

It re-iterated Soviet suggestions *for talks between Russian and Chinese leaders to solve the differences between their two countries.*

Mobilization Plans:

Meanwhile, according to reports reaching Hong Kong in the last week of August, China was mobilizing its population, dispersing factories against possible air attack, stockpiling food supplies, and sending large troop re-inforcements to the border regions apparently because of fears of a war with the Soviet Union.

Thousands of troops with artillery had been concentrated in public parks in Canton before being sent northwards to the frontier provinces of Sinkiang and Heilungkiang. There had been reports of heavy military traffic on the railways in south China as trains loaded with troops and equipment headed north towards the border provinces.

Veterans of the People's Liberation Army (PLA) had been sent to communes in Kwangtung province near Hong Kong to train the peasants in elementary tactics, the use of weapons, and in some cases "horseback riding." Many communes had formed combat teams of 200 men with a stiffening of militia and PLA men. These local levies were given two hours' military training every day after working hours.

One report said that militia in Sinkiang province had been re-equipped with sub-machine guns, grenades, and automatic rifles. Several towns in Sinkiang province had been partially evacuated by the civilian population.

There had been innumerable reports of meetings in the communes of Kwangtung province to prepare the population for a war with Russia. All traffic in Canton was brought to a halt several times in August by anti-Soviet demonstrations.

A directive from the Communist Party Central Committee in Peking relayed by loudspeakers to the population on August 23 gave warning that war could break out between the Soviet Union and China at any time.

The directive assured the people that China had enough food to last for 20 years. (A food shortage reported from some parts of China was attributed to the disruption of food supplies caused by the heavy military traffic on the railways.)

The big southern port of Canton had had two practice air raid alerts recently during which aircraft flew over the city, searchlights were operated, and aircraft batteries manned, and the population sent to air raid shelters.

(**The Times**, London)

[Prev. ref. 9098:CHI:A]

B. **Rise In Industrial Output:** According to an official Japanese analysis, China's industrial production increased considerably during the first half of 1969 compared with the first half of 1968, but was still below the level prevailing before the Cultural Revolution started in May, 1966.

Japanese officials also believed that China laid emphasis on a gradual and flexible reform of the economy.

The analysis showed that China's industrial output had turned upward from the latter half of 1968. China had a comparatively good Summer crop this year, but Government purchases and storage of crops had created problems.

In foreign trade, China's exports in the first six months of 1969 increased by 15 per cent, and imports by 5 per cent over the same period in 1968. But both exports and imports were not as brisk as in the corresponding period of 1967, and the total amounts of contracts concluded at this year's Spring Commodity Fair in Canton fell below those of 1968.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 9004:CHI:B]

INDIA

SUMMARY: Mr. Dinesh Singh's Visits To Moscow And Yugoslavia; TV Transmission Agreement With USA; Crude Oil Purchase By Spain; Paper Famine Forecast; Split In RSP.

A. **Mr. Dinesh Singh's Visit To Moscow:** In a Joint Statement issued in Moscow on September 17 at the end of the Foreign Minister, Mr. Dinesh Singh's visit, India and USSR declared that political and economic development of the countries of Asia and co-operation among them formed the best basis for the preservation and consolidation of peace, stability and security in this part of the world.

It defined equality, mutual benefit, respect for territorial integrity and sovereignty and non-interference in each other's internal affairs as the principles that should govern co-operation among Asian nations.

The Statement revealed that during the talks between Mr. Dinesh Singh and the Soviet Foreign Minister, Mr. Andrei Gromyko, the Indian side emphasized the importance it attached to the Tashkent Declaration and recounted the steps India had taken in implementing this Declaration and in improving Indo-Pakistan relations in the spirit of this Declaration.

It added: "The two sides considered in all its aspects the friendly co-operation existing between India and the Soviet Union and noted with satisfaction that in the political, economic, cultural, scientific and other fields the co-operation has progressed impressively and holds great opportunities for further expansion."

The two sides, the Statement said, were convinced that great opportunities existed for further expansion of Indo-Soviet economic co-operation in various fields.

They took note of the "continuing tense situation in South-East Asia and West Asia and the continuation of colonial and racial domination in Africa" and expressed the belief that all peace-loving countries should direct their efforts towards an early peaceful solution of these topical international problems in accordance

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with the aspirations of the peoples of the world.

On Viet-Nam, the two Foreign Ministers re-affirmed that it was essential to recognize the Viet-Namese people's right to decide their own destiny without foreign interference and on the basis of the 1954 Geneva Agreement.

They felt that Israel's refusal to implement the UN Security Council's resolution of November 22, 1967, and her repeated acts of provocation were responsible for the serious aggravation of the West Asia situation.

(Tass and **The Hindustan Times,** New Delhi)

[Prev. ref. 8445:INI:A, 9060:PAK:A]

B. Mr. Dinesh Singh's Visit To Yugoslavia: On September 18, the Minister of External Affairs, Mr. Dinesh Singh ended an official visit to Yugoslavia, during which he held talks with the Foreign Secretary, Mr. Mirko Tepavac and other officials.

Later, in a joint **communique,** Mr. Tepavac and Mr. Dinesh Singh expressed confidence that non-alignment would play an important role in the changed world situation.

They exchanged views on questions of mutual interest. On basic questions there was close identity of views.

They noted with satisfaction that during the last several years co-operation between the two countries had further intensified and there were great possibilities for its expansion.

They agreed that non-alignment constituted not only a lasting link between India and Yugoslavia but offered a major contribution to understanding and world peace. They were confident that in the changed world situation, non-alignment would play an important role in the promotion of co-operation and peace in the world.

They voiced concern over the Viet-Nam situation and re-affirmed that a settlement should be arrived at on the basis of the Geneva Agreement and of recognition of the right of the Viet-Namese people to decide their own fate. It was possible to step up progress towards such a settlement through peaceful negotiations.

On West Asia, they said the situation was grave because of the continued occupation of Arab territories by Israel and the growing tension. Urgent steps were necessary for the implementation of the Security Council resolution (calling for Israeli withdrawal from occupied territory). India and Yugoslavia would co-operate both mutually and with other peace-loving nations for securing its implementation.

(**The Times of India,** New Delhi)

[Prev. ref. 8433:INI:A, 9118:INI:I]

C. Mr. A. Kosygin On S-E Asian Security: During a stop-over at Calcutta airport on September 10 on his way back from Hanoi after attending the funeral of the North Viet-Namese President, Dr. Ho Chi-minh, the Soviet Premier, Mr. Alexei Kosygin said that the main idea behind the projected Asian security plan was to unite the peace-loving forces in South-East Asia not for war but for preservation of peace in this region.

Such unity of peace-loving forces, he said, would be a real danger for the aggressors, who might try to disturb peace.

He said that a controversy over arms supply to Pakistan by the Soviet Union was being artificially created by those who did not relish the friendly ties that existed between India and his country. "We would never exchange our friendship with India for anything else. We will keep this friendship, as we value it above everything else."

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 9131:AOA:J]

D. TV Transmission Agreement With USA: The Department of Atomic Energy and the US National Aeronautics and Space Administration (NASA) signed in Washington on September 18 an Agreement that would enable India to take advantage of a satellite that NASA would put in synchronous equatorial orbit for making television available in every part of the country.

Under current plans, the three television transmitters to be set up in Ahmedabad, Bombay and Delhi would be of use only in the cities and their immediate environs. But when NASA put up its first experimental Application Technology Satellite (ATS) in 1972, Indian TV transmitters would able to use it in such a manner that not only these three cities but any spot in India could pick up the transmission clearly.

Dr. Vikram Sarabhai, who signed the Agreement on behalf of the Department of Atomic Energy, said it was proposed to make the maximum use of ATS for fulfilling family planning objectives, improving agricultural practices and forging national integration. ATS, however, would be available to India for one year (1972-73). He hoped that by that time India itself would be able to place its own satellite in orbit to continue the work begun under ATS auspices.

While NASA would foot the bill for putting up ATS, India would spend about Rs. 3 crores for designing and manufacturing TV equipment for the ground segment.

(**The Times of India,** New Delhi)

[Prev. ref. 8199:INI:L, 8323:INI:A]

E. First Super-Power Transmitter Commissioned: All-India Radio's first super-power medium wave transmitter was commissioned by the Information, Broadcasting and Communications Minister, Mr. Satya Narayan Sinha at Mogra, 60 km from Calcutta on September 22.

Inaugurating the 1,000-kw transmitter, Mr. Sinha said it was a red-letter day for his Ministry as well as the country because the transmitter was 10 times more powerful than the second biggest in the country.

The Rs. 3-crore transmitter was described as "a new landmark" in the history of **A-IR**'s external service broadcasting.

The super transmitter is particularly meant to cover China and South-East Asia and will enable reception in those countries even by a single-band set.

The transmitter will have a range of 300 km during the day and about 2,000 km at night.

(**The Statesman,** Calcutta)

[Prev. ref. 6767:INI:D]

F. Cultural Agreement With Philippines: A Cultural Agreement between the Governments of India and the Philippines was signed in New Delhi on September 6.

The Agreement envisaged co-operation between the two countries in the fields of education, science, art and culture through exchange of professors, scientists, scholars, coaches, journalists, exchange of materials like books, periodicals, non-commercial cinematographic films including television and radio broadcasts and art exhibitions.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8269:INI:D]

G. News Exchange Agreement With UAR: India and UAR agreed in Cairo on September 12 to strengthen co-operation between their national news agencies and radio net-works to ensure authentic information about each other.

It was agreed that the radio net-works in the two countries, besides broadening their co-operation in the exchange of information and background material should also maintain correspondents in each other's countries.

The Agreement was reached following talks in Cairo between India's Minister of State for Information and Broadcasting, Mr. I. K. Gujral, and the UAR's Minister for National Guidance, Mr. Mohammed Fayek.

Mr Fayek told Mr. Gujral that the **Middle East News Agency** would soon have a correspondent in New Delhi.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 9068:INI:H]

H. Diplomatic Appointments: *Mr. Martin-Fortune Opoto has been nominated as Ambassador of the Democratic Republic of Congo to India.*

Mr. Shailen Hiralal Desai, Indian Ambassador in Aden, was appointed Ambassador to Czechoslovakia in *succession to Mr. Jagan Nath Dhamija.*

(**The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 7362:INI:D, 7873:INI:H]

I. Survey On Indian Scientists In USA: According to a study conducted in America on behalf of the Institute of Applied Manpower Research, more than half the number of Indian scientific and technical personnel who were practically settled in USA were engaged in research and development—mostly in basic research.

Out of 1,316 Indians in "major fields of greatest scientific competence," 1,137 were in the field of physical and life sciences, 122 in social sciences and 57 in other fields. Among them, chemists formed the largest single group (402). A classification of the others showed that there were 318 in the field of physics, 158 in biological sciences, 130 in mathematics, 53 in statistics, 39 in earth sciences, 25 in meteorology and 12 in agricultural sciences.

Among the scientists, 784 (78 per cent) held doctorates, 454 (54 per cent) possessed Master's degrees and 50 were Bachelors of Science. Of these, 522 were engaged in basic research, 156 in applied research and 54 in development.

The report did not refer to the entire stock of Indian scientific and technical personnel in employment in USA. It covered only those who volunteered for registration in the US National Register.

An analysis of the registrants by their citizenship or visa status indicated that while 48.3 per cent (635) of them had acquired status which had paved or could pave the way for their stay in that country on a permanent footing, 51.7 per cent (681) held non-immigrant or temporary resident visas. In the first group, 450 held permanent resident visas and the rest reported themselves as naturalized US citizens. All those naturalized US citizens could be considered to constitute the hard core of the "brain drain" of such persons from India to that country.

According to the report, unless an Indian employed in the United States had taken over American citizenship or had applied for the same, the possibility of his return to India could not be completely ruled out. It was the group of permanent residents and non-immigrants which, according to the report, should be given priority consideration while formulating incentives designed to promote the repatriation of Indian scientific and technical personnel in USA.

(**The Times of India,** New Delhi)

[Prev. ref. 8398:INI:H, 8762:AOA:L]

J. Crude Oil Purchase By Spain: It was announced in New Delhi on September 15 that India had secured a substantial order for supply of crude oil to Spain.

The successful negotiations conducted by the Oil and Natural Gas Commission (ONGC) had not only found a place for India in the highly competitive oil business in Europe, but also helped in disposing of crude oil from its share in the off-shore concession area in Iran.

The ONGC, which is a major partner in the joint exploration in Iran, recently found itself in a predicament when it was asked to lift its quota of crude within a specific period. It could not lift its share of 100,000 tonnes of crude oil, nor could it find a market elsewhere.

A private oil refinery in Spain had agreed to take initially 70,000 tonnes of crude oil from India's share in the Iranian field. The Agreement provided for larger supply when the yield was fully developed.

(**The Times of India,** New Delhi)

[Prev. ref. 3620:INI:G, 9090:INI:D]

K. Railway Wagons' Supply To Sudan: It was announced in New Delhi on September 18 that India would supply 200 railway wagons of the value of Rs. 1 crore to Sudan.

Two contracts had been entered into by the two countries for this purpose.

(**The Times of India,** New Delhi)

[Prev. ref. 8198:INI:E]

L. Extension Of Central Labour Rules To Jammu And Kashmir—Pakistani Protest Rejected: On September 18, India rejected Pakistan's protest Note against extension of some Central labour regulations to Jammu and Kashmir.

The Indian Note, presented to the Pakistan High Commission in New Delhi, considered the Pakistani protest as another attempt by the Government of Pakistan at unwarranted interference in the internal affairs of India in furtherance of Pakistan's ambitions on Indian territory.

It expressed the hope that the Government of Pakistan would desist from such interference in future.

(**The Times of India,** New Delhi)

[Prev. ref. 7902:PAK:B]

M. Paper Famine Forecast: A paper famine in the country has been predicted by the Economic and Scientific Research Foundation if steps are not taken immediately to improve the "resources outlook" in the industry.

These steps include rational pricing of forest products, intensive plantation programmes, investments in infrastructure, a multi-product approach to resource utilization and development of the industry on the lines of "mother pulp and baby mills."

The genesis of the crisis, the Foundation says, could be traced simply to the exhaustion of the obvious supplies of cheap and easily accessible resources. In its initial over-enthusiasm the industry obviously had "skimmed the cream" of the existing resources and it would now have to procure more supplies from less accessible and low quality sources.

It makes the point that a paper famine is round the corner and that there is likelihood of a serious shortage of pulpable resources in the mid-seventies. If nothing is done to check the brewing crisis, the pulp and paper industry will be greatly hampered within the next five years.

The situation is not an outcome of any major acceleration of demand. Indeed, the annual rate of growth of demand has been a steady 8 per cent. The estimated levels of demand in 1975—1,00,000 tonnes of writing and printing paper and 544,000 tonnes of industrial paper—reflected moderate rates of growth. In contrast, though, the demand for newsprint had been quite striking. The estimated demand by 1975 would be 313,000 tonnes.

(The Statesman, New Delhi)

[Prev. ref. 8173:INI:K]

N. **Split In RSP:** A section of the Revolutionary Socialist Party (RSP), a constituent of the United Front Governments of Kerala and West Bengal, broke away from the parent organization under the leadership of Mr. Keshab Sharma on September 12 to form a new party—the Revolutionary Socialist Party of India (Marxist-Leninist-ML)—at a conference held recently in Bihar.

The RSP, in its election manifesto of December 14, 1966, had said that it stood for "changing the Constitution to ensure effective political power" to the elected representatives and demanded "regional autonomy" for tribal areas, nationalization of basic and key industries, overhauling of the planning organization and annulment of rural indebtedness. The Party worked through the Constitution and joined the UF Government of Kerala with its six members in the Legislative Assembly of 133 members and the West Bengal UF Government with its 12 members in the 280-member Assembly or the 218 constituent members.

The RSPI (ML) is opposed to participation in parliamentary politics which, it believes, leads to revisionism and **petit bourgeois** deviations. It aims to "immediately engage itself in developing an armed struggle". Mr. Sharma is trying to create a united front of all revolutionary groups on the basis of an agreed common programme. He recently met at Calcutta Mr. Barry Shepherd, a leader of the Fourth International with headquarters at Brussels, as also the Trotskyists in Bengal. He has already contacted Mr. Nagi Reddy of Andhra, who is known to have evolved a revolutionary strategy which aims, in the first instance, to capture lands of big landlords in forested mountains, and then expand similiar activities to plains and towns to overthrow "big bourgeois landlord rule" with the help of volunteer corps armed with locally available weapons including spears, arrows, axes etc.

The new party maintains a neutral position in regard to USSR and China. While it concedes that the Soviet Union has deviated from the Marxist practice and developed State capitalism, it does not subscribe to the Chinese or the Naxalite accusation that it is practising "social imperialism."

(The Statesman, Calcutta)

[Prev. ref. 5953:INI:B, 7483:INI:T, 8970:INI:D]

O. **Increase In Agricultural Income-tax In West Bengal:** The West Bengal Cabinet decided on September 11 to increase the rates of agricultural income-tax and reduce to Rs. 1,500 from Rs. 3,000 the level of agricultural income exempted from the purview of taxation, with a view to raising additional resources.

An official spokesman said that for this purpose the Bengal Agricultural Income-Tax Act, 1944 would be amended. The measures would yield an additional revenue of Rs. 32,00,000 per year. The revenue from agricultural income-tax in 1968-69 had amounted to Rs. 1.72 crores.

Under the proposed amendment, 60 per cent of the gross agricultural income would be taken as cost of production and the taxes would be levied on the balance at rates varying from five paise to 70 paise per rupee.

The spokesman added that all persons owning more than 10 acres of agricultural land would be required to furnish all details of their income from agriculture to income-tax officers within specified dates.

(The Hindustan Standard, Calcutta)

[Prev. ref. 8851:INI:N]

P. **Medium In Private Schools—Punjab Orders Status Quo:** The Punjab Chief Minister, Mr. Gurnam Singh, announced in Chandigarh on September 15 that the **status quo** regarding the medium of instruction in Government-aided private schools in the State would continue.

The Jana Sangh had threatened that if the language controversy was not resolved by September 15, its alliance with the Akali Dal would break up and its two Ministers, Mr. Balramjidas Tandon and Mr. Krishan Lal, would quit the Cabinet. A meeting of the Working Committee of the Akali Dal, to consider the issue, had been indefinitely postponed to the annoyance of the Jana Sangh Ministers.

At present, parents have the option to choose the medium of instruction of their children in private schools. The main demand of the Jana Sangh was that the **status quo** should be maintained.

According to Mr. Gurnam Singh, the Jana Sangh had conceded that Punjab was a unilingual State and there was no linguistic minority. It was decided that Punjabi would be the medium of instruction from the primary class in Government schools. Parents would have no option to choose the medium in these schools.

(The Times of India, New Delhi)

[Prev. ref. 7948:INI:Q, 8851:INI:O]

Q. **Cost Of Mid-term Elections:** The last mid-term elections in Bihar, Punjab, UP and West Bengal cost the exchequer Rs. 3.20 crores.

The largest amount of Rs. 1.40 crores, was spent in UP. Bihar came next with Rs. 1.08 crores. The West Bengal poll cost Rs. 56,54,000 while in Punjab, the amount was only Rs. 14,64,000.

A small part of the total expenditure was recovered (Rs. 9,55,000) by way of forfeiture of security deposits from 3,821 candidates. The largest number of candidates, mostly Independents, who paid the penalty for failing to secure the qualifying number of votes came from UP (1,791).

(The Times of India, New Delhi)

[Prev. ref. 8812:INI:A]

R. **Cases Pending In High Courts:** In a survey published in New Delhi on September 14, UP was the most litigant State, judging from the number of outstanding cases in the Allahabad High Court.

The total number of first and second appeals, writ petitions and other pending cases in all High Courts in India at the beginning of the current financial year was 3,67,185. Of these, the Allahabad High Court had 75,235. The next in order was the Calcutta High Court with 61,932 cases. Kerala stood third with 42,356 cases. Next came Bombay with 30,918.

The other High Courts with pending cases, in descending order, were: Madras (26,382); Punjab and Haryana (21,504); Delhi (20,573); Gujarat (17,002); Andhra (16,007); Mysore (13,331); Madhya Pradesh (11,953); Rajasthan (9,005); Orissa (8,401), Patna (8,213); Assam (3,243) and Jammu and Kashmir (1,080).

The total number of writ petitions in all the High Courts was 70,591, of which Kerala had the largest number (7,605).

(The Times of India, New Delhi)

[Prev. ref. 8915:INI:O]

S. Cost Of Natural Calamities: Between 1957-58 and 1967-68, natural calamities cost the nation about Rs. 289.3 crores—far more than the cost of the Bhakra Dam.

In 1967-68, expenditure touched a new high with Rs. 82.72 crores—Rs. 5.87 crores more than that for 1966-67. Expenditure on relief from various natural calamities showed a steady rise from Rs. 8.66 crores in the beginning to Rs. 82.7 crores in 1967-68. In 1966-67 it was Rs. 76.85 crores.

West Bengal was persistently dogged by natural calamities. Its expenditure rose from Rs. 2.9 crores to Rs. 8 crores during the period. It topped the list with a total expenditure of Rs. 61.82 crores, followed closely by Bihar with Rs. 1.80 crores to Rs. 25.62 crores. The total expenditure in Bihar during the period was Rs. 46.79 crores.

The Fifth Finance Commission recently recommended Rs. 14.47 crores annually for the States for relief from natural calamities. It considered the expenditure for 1966-67 and 1967-68 as "clearly abnormal" as large parts of the country were drought-hit during these two years.

(The Statesman, New Delhi)

[Prev. ref. 9165:INI:S]

T. Pensions To Freedom-fighters: The Central Government decided on September 17 to implement with effect from October 2, Mahatma Gandhi's Centenary Day, a scheme for granting pensions to freedom-fighters who had suffered imprisonment in the Andaman and Nicobar Islands for not less than five years.

The scheme will apply to families of freedom-fighters who are no longer alive.

The amount of the pension sanctioned to a freedom-fighter will not be less than Rs. 200 a month and in the case of families, it would vary from Rs. 100 to Rs. 200 per month. Only one member of the family will be eligible for the pension.

(The Times of India, New Delhi)

U. Bus Accident: Huge boulders suddenly hurtled down and hit a passing bus near Joshimath in the Himalayas on September 17, killing 25 of the 27 persons aboard. They belonged to Chandigarh and Amritsar.

Under the impact of the shattering rockfall, the bus plunged 400 feet down a misty precipice.

The vehicle formed part of a 12-bus convoy carrying over 400 Sikh pilgrims to Hem Kund in the border district of Chamoli. It belonged to a private company. Hem Kund is considered sacred by Sikhs as Guru Gobind Singh spent some time in meditation in that Himalayan retreat.

This was the second major accident of the season. The victims of the previous accident, in which a pilgrim bus fell into a ravine near Dara Kuchi on the Joshimath road in the first week of August, numbered 37.

(The Times of India, New Delhi)

[Prev. ref. 7282:INI:N, 8971:INI:H]

V. "Dragon" Rocket Launched: The two-stage **Dragon** rocket fired from the Thumba Equatorial Rocket Launching Station on September 21 to study atmospheric conditions in the range of 100-350 km failed to yield the required data.

Mr. H. G. S. Murthy, Director of the Station, said the performance of the rocket was normal but the telemetry signals could be obtained only for 25 seconds. The radar also could track the rocket only for 90 seconds. The causes of the failure were under study.

The rocket had been supplied by France and the radio frequency spectrometer payload by the Soviet Union. The experiment was under a collaboration programme between India and the Soviet Union.

The experiment was done by the Indian Space Research Organization (ISRO) of the Department of Atomic Energy in collaboration with the hydrometeorological services of the Soviet Union.

(The Hindu, Madras)

[Prev. ref. 8538:INI:L]

INDONESIA

A. Russian Envoy Presents Credentials: The new Soviet Ambassador, Mr. Mikhail Volkov, presented his credentials to President Suharto on August 28.

The arrival of the new Ambassador was seen by observers as a new Russian attempt to improve relations with Indonesia which were damaged by the abortive September 30, 1965 **coup.**

(The Times, London)

[Prev. ref. 6152:IND:A]

B. Soviet Economic Mission's Visit: According to Djakarta reports, a Soviet economic mission headed by Mr. V. A. Sergeev had begun with a promise of $120 million aid to Indonesia. The aid would be increased after Soviet-Indonesian relations return to the 1965 level.

[Indonesia owes some $695 million to Moscow. The debt is also likely to be re-scheduled.]

One of the major problems before the Indonesians was completion of the Tjiegon steel plant, which the Russians had left half-complete after Dr. Sukarno's overthrow. The Indonesians want the Russians to complete the project.

(The Times, London and **The Straits Times,** Singapore)

[Prev. ref. 8695:IND:B]

IRAQ

A. Abu Dhabi Ruler's Visit: Sheikh Zayed bin Sultan al-Nahyan of Abu Dhabi paid an official visit to Iraq from July 24 to 28 when he held discussions with President Ahmed Hassan al-Bakr and other leaders.

The Sheikh and his party also visited centres of interest.

A Joint Statement issued on July 28 at the conclusion of the talks between the delegation led by the Sheikh and Iraqi leaders said in part:

"The two sides emphasized that the present Arab circumstances dictate the necessity of galvanizing endeavours and massing up Arab possibilities for confronting the Zionist-Israeli aggression on our Arab territories and for backing up the struggle mounted by our Palestinian brothers for attainment to their legitimate rights in their homeland, Palestine.

"The two sides also emphasized the importance of the role played by their highnesses the rulers of the Arab principalities in the Arab Gulf for ensuring the creation of the Federation of the Arab Principalities. This Federation is considered a pressing nationalist demand, a constructive step up the road of Arab unity and a straightforward path for ensuring the security and stability of this dear region."

(Baghdad Observer)

[Prev. ref. 9019:QTR:A]

KOREA (North)

A. Foreign Relations: A French news agency correspondent who recently visited Pyongyang, in a despatch published by several Western newspapers in the second week of August, reported that North Korea's diplomatic relations with the outside world were those of a communist nation paying a hard price for its independence by unequalled isolation.

Its relations with China were poor, with the Soviet Union somewhat ambiguous and with the Western world non-existent.

The official history of the Korean War, which ended with the Armistice signed at Panmunjom in 1953, did not mention the role played by Chinese "volunteers" who fought at the side of the North Korean Army.

Pyongyang's discreet policy of keeping its distance from the two communist giants, the Soviet Union and China, was deeply rooted.

North Korea was organized and disciplined to be kept in constant alert for any "imperialist aggression". It had deliberately ignored the *Cultural* Revolution in China, and Chinese Red Guard attacks on the Prime Minister, Marshal Kim Il Sung for his attitude towards the movement, made clear how they felt about it. Marshal Kim Il Sung gave his reply in October, 1968 by accusing China of failing to follow an "objective" policy as an enemy of the United States.

North Korea reasoned—and this was the crux of the disagreement with Peking—that China was "in error" and had harmed North Korea by hurling abuse both at the Soviet Union and the United States. "The enemy must be crushed, but an erring friend must be first criticized and then put back on the right path", the Marshal told the ruling Korean Workers' Party.

The relationship with the Soviet Union was not cloudless, but the difficulties had more subtle causes. Pyongyang felt that Moscow had strayed in carrying out "de-Stalinization", but saw in the Soviet Union less of an obstacle to the forming of a "common front" with North Viet-Nam against "American imperialism". Pyongyang was worried about certain steps taken by Moscow towards an understanding with USA and was even somewhat agitated over some of them. It was unlikely, for instance, that North Korea appreciated the readiness with which the Soviet Nnion had helped the United States to search for the American reconnaissance aircraft shot down last April by the North Koreans.

There were no non-communist diplomatic missions in Pyongyang. Switzerland alone in the Western world had solved the difficulty of extending diplomatic recognition to North Korea by naming Mr. Oscar Rossetti, the Swiss Ambassador in Peking, as the "personal representative" of Berne's political department to the Foreign Ministers of Hanoi and Pyongyang.

The fact was that the real test of North Korea's relations with the outside world was its fight against "American imperialism". This anti-imperialist struggle, purified of worries about "revisionism" and "contestation", inspired a kind of "third force" within the communist world, uniting in a single crusade North Viet-Nam, Cuba and the Japanese Communist Party.

The North Korean Government was one of the first to suggest sending men to North Viet-Nam on October 5, 1966. Marshal Kim Il Sung had urged communist countries to send international volunteers to North Viet-Nam and added that his country was ready to send a contingent. On February 10, 1968, **Pyongyang Radio**, quoting a Foreign Ministry statement, re-iterated North Korea's readiness to fight on the side of North Viet-Nam if Hanoi wanted it, but President Ho Chi-minh never took up this offer.

(The Times, London)

[Prev. ref. 7868:CHI:B, 9014:KRN: A]

NEPAL

A. Achievements Of Rashtriya Panchayat Session: The Budget session of the Rashtriya Panchayat (National Council), which commenced on June 18, adopted a number of legislative measures for strengthening the party-less set-up in the country.

One law raised the salaries of the Prime Minister, his Cabinet colleagues and the members of the Panchayat. Another defined the Commander-in-Chief's authority and powers. Facilities given to the Judges of the Supreme Court were extended and the emoluments of the members of the Public Service and Election Commissions increased.

The Class and Professional Organizations Bill laid down that elections to the local panchayats could be contested by only such persons as were members of the six class organizations mentioned in the Constitution, thus disqualifying several contestants.

The most important measure adopted at the session was the (Political) Organizations and Associations (Control) Bill, replacing the existing law found defective by the Supreme Court. The Bill imposed a blanket ban on political speeches, propaganda, demonstrations and meetings. To the critics of the Bill, who said it curtailed freedom of speech and violated the constitutional provision guaranteeing the right to establish associations and organizations, the Home and Panchayat Minister, Mr. Khadga Bahadur Singh, who piloted the Bill, replied: "Partisan feelings or party politics cannot be encouraged or permitted, as party-lessness is the very heart-beat of the panchayat system."

[A former Premier and leader of the Nepali Congress, Mr. B. P. Koirala, had been released a year ago and on June 19, 1968, King Mahendra had pardoned 29 political workers, in response to the Nepali Congress leaders' gesture, when on May 15, 1968 they affirmed from Calcutta "fullest and loyal co-operation in his endeavours to build a strong, united and prosperous Nepal." Another batch of 175 self-exiled Nepali Congress workers was granted pardon on January 10, 1969. The released leaders, however, soon extended their influence in the country-side and the Government felt they had adopted an "uncompromising attitude" favouring a gradual evolution of parliamentary institutions in the country against the present party-less panchayat system.]

Political activities and parties had been banned in the country on the dismissal of the first elected Government and the dissolution of Parliament by the King on December 15, 1960. The Home Office Order of December 16, 1960 had banned public meetings and political activities "to check mischief perpetrated in the name of democracy, to safeguard the true spirit of democracy and advance the happiness and welfare of the people." The blue-print of the panchayat democracy (also called "natural democracy" in the Royal Proclamation of September 12, 1962) was presented to the people on July 16, 1961 "as an alternative to both communism and parliamentary democracy". On December 16, 1962 the new Constitution providing for a Government based on the panchayat system was promulgated.

On September 22, 1967 the King had told the Rashtriya Panchayat, "The current party-less Panchayat democracy has successfully crossed several hurdles on its way and made substantial achievements." Five days later, on September 27, the Council unanimously decided that the partyless panchayat system was "the best medium for ensuring Nepal's progress and prosperity" and that "there was no alternative to it." The King again told the National Council on June 28, 1968: "The present partyless panchayat system which resolved to fulfil national aspirations is today making unimpeded progress" and ruled out in emphatic terms, on February 18, 1969, while celebrating Democracy Day, any revival of political parties since the panchayat system assured the people "full democratic freedom."

The amended Bill thus sought to safeguard the party-less panchayat set-up against inroads from the parliamentary democratic front.

(**The Statesman,** Calcutta and **The Times of India,** New Delhi)

[Prev ref. 4986:NEP:A, 7970:NEP:A, 8426:NEP:A, 9074:NEP:A]

PAKISTAN

A. PDM Dissolved: The Pakistan Democratic Movement (PDM), a component of five political parties, *was formally dissolved on August 12.*

The decision to dissolve PDM was taken unanimously at a meeting of the leaders of the component parties held in Lahore under the chairmanship of Nawabzada Nasrullah Khan.

The leaders who attended the meeting included Mr. Nurul Amin, Mian Mumtaz Mohammad Khan Daultana, Sardar Shaukat Hayat Khan, Khan Ghulam Mohammad Khan Lundkhawr, Mr Mahmud Ali, Maulana Abul Aala Maudoodi, Maulana Tufail Mohammad, Mr. Nasim Hassan, Mr. Zakiuddin Pal and Mr. Sabir Jafri.

Formed in May, 1967 the PDM had consisted of five political parties, namely, Nizam-i-Islam, Awami League (Nawabzada Nasrullah Group), NDF, Council of Muslim League and the Jamaat-i-Islami. Three of the parties, namely, Nizam-i-Islam, NDF and the Awami League had already been merged into the Pakistan Democratic Movement.

Although all the constituent parties of the PDM agreed on the restoration of the 1956 Constitution, they did not find any need for an alliance in the form of PDM. The eight-point programme of PDM had related to lifting of Emergency, release of political prisoners, federal parliamentary form of Government and direct elections to the Assemblies.

Nawabzada Nasrullah Khan said that the dissolution of the PDM had become necessary due to some technical difficulties following the merger of three parties into a single party. He was glad that the component parties still stood committed to the eight-point programme of PDM and said they would continue to work separately and jointly to achieve all its objectives.

Khan Ghulam Mohammad Khan Lundkhawr voiced his disapproval over the merger of Awami League in the new party and said there were several Awami League leaders and workers who still wanted to have a separate entity for the party.

(**The Pakistan Times,** Lahore)

[Prev ref. 9075:PAK:D]

B. Mr. A. R. Cornelius Appointed Law Minister: The former Chief Justice of the Supreme Court, Mr. A. R. Cornelius was sworn-in on September 17 as Law Minister in the Council of Ministers.

Mr. Cornelius was the first non-Muslim Minister to be appointed.

This raised the strength of President Yahya Khan's Cabinet to nine. None of the Ministers belongs to any party.

(**The Pakistan Times,** Lahore)

[Prev. ref. 8278:PAK:G]

C. **No Devaluation:** The Finance Minister, Mr. Muzaffar Ali Khan Qizilbash, on September 13 denied rumours that the Government would devalue the rupee.

Pakistan has maintained the value of the rupee at an official 4.8 to the US dollar, despite Indian devaluation in 1966 and a fall in the value of the £ in 1967.

But a hidden form of currency devaluation known as the bonus voucher system is operated in Karachi. Under this, exporters exchange hard currency earned abroad by their products for a voucher entitling the holder to obtain foreign exchange from the State Bank to pay for imports.

(**The Pakistan Times,** Lahore)

[Prev. ref. 8080:AOA:A]

PHILIPPINES

A. **Magsaysay Awards:** The Ramon Magsaysay Foundation presented on August 31 its annual awards to four Asians and an international organization for their outstanding service in Asia.

The four individuals honoured were Prof. Mitoji Nishimoto of Japan for journalism, literature and creative communication arts, Dr. Hsu Shih-chu of Formosa for Government service, Mr. Kim Hyung Seo of South Korea for public service and Mr. Anangemange Tudor Ariyaratne of Ceylon for community leadership.

The international organization to receive the award for international understanding was the International Rice Research Institute established in 1962 in Los Banos, 50 miles south of Manila.

The awards were given to the recipients by President Ferdinand Marcos at a 90-minute ceremony. The award winners received $10,000, a gold medal and a certificate "in recognition of greatness of spirit in service to the people."

(**The Times of India,** New Delhi)

[Prev. ref. 8586:PHI:A]

B. **Accord On Regional Transport Survey:** Representatives of the Philippines, Indonesia, Laos, Malaysia, Singapore and South Viet-Nam signed on August 20 a participation agreement with the Asian Development Bank (ADB) on a regional transport survey.

A representative of the Government of Thailand signed the Agreement on August 26.

Under the Agreement signed at ADB's temporary headquarters in Makati (Rizal) in the Philippines, the countries participating in the Survey would provide the necessary facilities to ADB's consultants to ensure that the Survey was carried out promptly and efficiently.

ADB's decision to undertake the Survey had been made upon request by Malaysia on behalf of eight South-East Asian countries which participated in the Kuala Lumpur Conference on Transport and Communications in September, 1967.

The Conference had recommended that the Survey should have as its specific objective recommendations for an investment programme for regional transport projects in the medium and long terms.

The underlying motivation for the Survey as envisaged by the Conference was the "development of transport in the region along lines which will maximize the possibilities for progressive economic integration of the countries in the areas."

The participating Governments had made a request to the United Nations Development Programme (UNDP) for financial assistance to the Survey. It was expected that the UNDP would participate in the

Survey in its second stage when substantive work is done.

The US Government had made a specific offer of a grant of up to $1 million to the Technical Assistance Special Fund of ADB which, together with the contributions of the Bank and others, would make it possible to carry out the Survey.

(ADB Press Release)

[Prev. ref. 9024:AOA:F, 9077:PHI:B]

SINGAPORE

A. National Day Celebrations: The fourth National Day of the Republic and 150th anniversary of the establishment of the Island town of Singapore were celebrated on August 8.

The Prime Minister, Mr. Lee Kuan Yew, warned of "momentous changes" in South-East Asia as the American and British military forces withdrew gradually from the region.

He predicted a trend towards closer co-operation among countries in East and South-East Asia and Oceania and said that the British withdrawal would make it necessary *for continued defence* co-operation between Singapore and Malaysia.

Mr. Lee was speaking at a banquet where Princess Alexandra, Mr. Angus Ogilvy and a number of Commonwealth Ministers were guests of honour.

Mr. S. Rajaratnam, the Foreign Minister, said that a new "post-Western phase" was beginning, bringing new dangers, most of them more likely to spring from "weakness within the region rather than from external threats".

The Queen, in a goodwill message read by Princess Alexandra, said: "It is my fervent hope and belief that, building on foundations so surely laid, you will go on to still greater achievement in the future and continue to progress in security and harmony."

British Navy Equipment Transferred:

On August 1, Britain severed another link with Singapore when the Royal Navy formally transferred its weapons and radio repair section at the naval base to the Singapore Government, which had formed a new electronic and engineering company to service a wide range of sophisticated equipment from anti-aircraft guns and missile launchers to teleprinters.

The equipment handed over was valued at $3.8 million (Singapore) (about £500,000). The local company would continue to service the Royal Navy until 1971, besides Navies of friendly nations.

Vice-Admiral Sir William O'Brien, commander of the Far East fleet, who represented the British Government, said the smoothness of the transfer testified to the greatest possible goodwill and effort on all sides. This was the second Royal Navy property to be handed over to Singapore. Last December the naval dockyard—Britain's biggest east of Suez—passed into local hands for commercial use.

The same morning, the Defence Minister, Mr. Lin Kim San, inaugurated a flying school at the Royal Air Force Tengah airfield, which would become the training ground for jet fighter pilots of the year-old Singapore Air Force. He said the Singapore Government was greatly indebted to RAF for so generously sharing its facilities at the Tengah and Seletar airfields, and also for its valuable advice. RAF was providing instructors to give primary training to the young pilots who would eventually fly the 20 **Hunter** jet fighters which Singapore would buy from Britain.

(The Times, London)

[Prev. ref. 8809:SGP:A]

VIET-NAM (RVN)

A. New Cabinet: The new Prime Minister, Gen. Tran Thiem Khiem, presented to President Thieu on September 1 an enlarged Cabinet which included many new faces, mostly known supporters of the President.

Only nine members of the old Cabinet remained, eight of them keeping their old jobs and one changing posts.

Gen. Khiem remained Minister of the Interior as well as head of the Government.

He enlarged the Cabinet from 23 members, including the President and Vice-President, to 33. Most of the new appointees were politicians rather than technicians, a move advocated by most of the critics of the former Government.

Observers saw Gen. Khiem's retention of the Interior Ministry as a sign of consolidation of power in the pro-Thieu block. They believed that the President will now take a greater share in direction of the Government and continue a hard line in the struggle against the Viet-Cong.

Among the most important changes was an overhaul and expansion of the Economic and Finance Ministries, which had come under severe attack in the National Assembly following a sharp increase in inflation during the past two months.

Mr. Pham Kim Ngoc became Economy Minister, and Mr. Nguyen Bich Hue, Finance Minister. Both were the only technicians among the new appointees.

Senator Tran Van Lam, a former Ambassador to Australia and New Zealand, became Foreign Minister.

Gen. Khiem's former post of Deputy Prime Minister was filled by Dr. Nguyen Luu Vien, who had held the post three times in the past five years.

(The Times, London)

[Prev. ref. 9191:RVN:B]

ASIA OUTSIDE ASIA

SUMMARY: USA Favours Resumption Of Dialogue With China; Soviet Control Of Indian Ocean; ANZUS On Viet-Nam; ECOSOC Annual Session; Age Of Moon Rocks.

A. USA Favours Resumption Of Dialogue With China: Addressing a Press Club luncheon in Canberra on August 8, the American Secretary of State, Mr. William Rogers, said that USA would "soon make another approach to see if a dialogue with Peking can be resumed."

He said: "The United States looks forward to a time when we can enter into a useful dialogue with Peking. We would welcome new talks with China." China "obviously has long been too isolated from world affairs. This is one reason why we have been seeking to open channels of communications."

As to possible reactions to these efforts in Moscow, he said: "We intend to disregard Peking's denunciations of United States efforts to negotiate with the Soviet Union. We intend to disregard Soviet nervousness at steps we take to re-establish contacts between USA and the Chinese Communists."

(The Times, London and
The Statesman, Calcutta)

[Prev. ref. 8860:CHI:A]

B. Soviet Control Of Indian Ocean: According to a recent study published by the Royal Institute of International Affairs in London on September 9, the Soviet Union was pushing for control of the Indian Ocean as the most immediate Kremlin objective following on Soviet penetration of the Mediterranean.

When the Suez Canal was reopened, USSR would be the nearest naval Power to the Indian Ocean and evidently ready to move in.

The study, published in the current issue of the Institute's monthly magazine, **The World Today,** said that Russia had extended more than $1 billion worth of arms and economic aid to Asian nations in the area. One of Russia's most immediate objectives in Asia was the creation of a block against the extension of either Chinese or American political influence into the subcontinent.

Russian ambitions in South Asia dated back to Peter the Great and more recently to Stalin's negotiations with Hitler and the Tashkent accord between India and Pakistan sponsored by Mr. A. Kosygin. "As *further evidence of this interest, Moscow has extended more than $1 billion in economic and military aid to these countries, undoubtedly hoping to reap in part the rewards that $6 billion of investment produced in the Middle East.* These expectations seem reasonable since the sub-continent now appears more penetrable than at any time in the last 200 years."

The stakes were high. The major part of the Middle East oil must cross the Indan Ocean as did extensive supplies of raw materials for nascent Asian industries.

The study added that in four years Russia had established a powerful permanent military presence in the Mediterranean which had forced general recognition of her stature as a major regional Power and proved that it was relatively cheap to exploit a power vacuum and open a new theatre of military operations and sphere of influence. Moscow might attempt to repeat this experiment in the Indian Ocean by following up political and economic enticements with the establishment of a permanent naval presence there.

British View:

Sir Peter Hill-Norton, British Forces Far East Commander-in-Chief, said in Brisbane (Australia) on September 21 that increasing Soviet presence in the Indian Ocean should be taken seriously by all the countries in the area.

He said that whoever controlled the Indian Ocean controlled three of the world's main focal points—the Suez Canal, the Straits of Malacca and the Cape of Good Hope.

He said the Soviet presence in the Indian Ocean coincided with the British withdrawal from Aden, the coming withdrawal of forces from South-East Asia and the emergence of independent nations in Africa. Five years ago, he added, there were no Soviet warships in the Indian Ocean, but in the past 2½ years there had always been at least one Soviet vessel, and usually several operating in the region.

(**The Times,** London)

[Prev. ref. 8860:CHI:A]

C. **Russian Parity With USA In Land-based Intercontinental Missiles:** The authoritative Institute for Strategic Studies said in its report, "The Military Balance 1969-70", published in London on September 5, that Russia had reached parity with the United States in land-based intercontinental missiles.

The report emphasized that USA was keeping its superiority in the field of submarine-mounted missiles and in the production capacity for multiple nuclear warheads.

The missiles still used liquid fuel, but the Soviet Union was testing multiple warhead re-entry vehicles (MRV) and had the capability of developing multiple independently targeted re-entry vehicles (MIRV).

The Soviet Union had deployed some 200 SS-9 rockets with nuclear warheads of a 25-megaton yield, which constituted a potential menace for American rocket-launching bases. But the new nuclear warheads now being tested for the American MIRV could give USA enormously increased "striking force".

Moreover, the Soviet Union owned only 160 submarine-mounted ballistic missiles against 656 operational on the American side. Britain had 48 of these missiles.

(**The Times,** London)

[Prev. ref. 8822:AOA:F]

D. ANZUS On Viet-Nam: The ANZUS Council, comprising Australia, New Zealand and the United States, in a **communique** issued in Canberra on August 8 made it clear that forces of the other allied countries could be withdrawn from Viet-Nam at the same time as the South Viet-Namese took over from the Americans.

The Australian External Affairs Minister, Mr. Gordon Freeth, who presided over the one-day meeting, told a news conference later that there would be consultations between the allies about withdrawal. No consultations were scheduled yet. "There must come a time—we don't see this having arrived—when there will have been replacement of the Americans by the Viet-Namese to such a point that it would be only reasonable to expect US also to be able to withdraw part or whole of our forces. But, he added, "that point has not been reached and may be some time off."

(**The Straits Times,** Singapore)

[Prev. ref. 8057:RVN:D, 9096:RVN: A]

E. **ECOSOC Annual Session:** The 47th session of the UN Economic and Social Council (ECOSOC) was held in Geneva from July 14 to August 8.

Resolutions on several subjects of interest to developing countries were adopted. These included:

(1) **Implementation of Decolonization Declaration:** The Council called for "concrete assistance" by appropriate organizations of the UN family to "liberation movements." It also recommended that these organizations and other international institutions increase the scope of their aid to refugees from colonial territories, particularly those in Africa. Such assistance, it suggested, should include help to Governments in preparing and carrying out projects beneficial to refugees.

(2) **Science and Technology:** It extended the term of office of the Advisory Committee on the Application of Science and Technology to Development for two years, to the end of 1971, and enlarged its membership from 18 to 24. It decided that, at a later stage, after it had obtained the views of Governments and UN organizations, it would consider the question of establishing new machinery in this field.

(3) **Private Foreign Investment:** The Council invited the Secretary-General to organize panels at the regional and global levels for the purpose of considering specific measures to increase the flow of foreign investment to developing countries.

(4) **Tourism:** It agreed to defer the question of the possible establishment of an inter-governmental tourism organization to its resumed 47th session (later this year). It directed that the conclusions reached at that time should be submitted to the forthcoming General Assembly session. Meanwhile, the Secretary-General was asked to report on the constitutional, organizational and financial implications of setting up such machinery.

(5) **Export Promotion:** The Council requested the Secretary-General, in co-operation with the Inter-

national Monetary Fund, to study ways and means of enabling developing countries to ease the balance of payments strains arising from short-term financing of export credits granted by their exporters.

(UN Newsletter)

[Prev. ref. 8489:AOA:J]

F. **World Bank's Financial Statement:** The World Bank published in the third week of August its financial statement for the fiscal year ended June 30, 1969, according to which gross income for the year was $410 million, compared with $356 million in 1968.

Expenses, which included $197 million for interest on Bank borrowing, bond issuance and other financial expenses totalled $239 million, compared with $187 million in 1968.

The Executive Directors of the Bank recommended to the Board of Governors, for action at its forthcoming meeting in Washington on September 29 that $100 million of the 1969 net income be transferred as a grant to the Bank's affiliate, the International Development Association. The remaining portion of the year's earnings, $71.4 million, would be transferred to the Bank's Supplemental Reserve, increasing this Reserve to $1,034.3 million. Total reserves, including the Special Reserve, would amount to $1,326 million.

During the fiscal year, the Bank made 84 loans in 44 countries totaling $1,399 million, compared with a total of $847 million in the previous year.

The loans were made to Argentina (2), Brazil (3), Cameroun (2), Ceylon, Chile and China (2), Colombia (6), Cyprus, Ecuador, El Salvador, and Ethiopia (2), Finland, Gabon, Ghana, Guatemala, Guinea and Guyana (2), India (2), Iran (2), Ireland and Ivory Coast (3), Jamaica and South Korea (2), Liberia and Malagasy (2), Malaysia (4), Mexico, Morocco and Nigeria (2), Pakistan (6), Paraguay, Philippines, Senegal, Sierra Leone and Singapore (2), Sudan, Tanzania, Thailand, Trinidad and Tobago (2), Tunisia (4), Turkey (4), Venezuela (2), Yugoslavia (2) and Zambia (4).

This brought the total number of loans to 636 (including $100 million to the International Finance Corporation) in 86 countries and territories and raised the gross total of commitments to $12,917 million. By June 30, as a result of cancellations, exchange adjustments, repayments and sales of loans, the proportion of loans signed still retained by the Bank had been reduced to $8,621 million.

Disbursements on loans were $762 million, compared witih $772 million in the preceding year. Cumulative disbursements amounted to $9,583 million on June 30, 1969.

During the year the Bank sold or agreed to sell $35 million principal amounts of loans, compared with sales of $107 million last year. On June 30, the total of such sales was $2,177 million, of which all except $69 million had been made without the Bank's guarantee.

On June 30, the outstanding funded debt of the Bank was $4,081 million, reflecting a net increase of $791.66 million in the past year.

During the year Botswana, Lesotho and Mauritius became members of the Bank, and the following five countries increased their subscriptions to the Bank's capital: Trinidad and Tobago, Cyprus, Tunisia, Ghana and Burma. Thus on June 30, 1969, there were 110 member-countries and the subscribed capital of the Bank amounted to $23,036.4 million.

(UN Newsletter)

[Prev. ref. 8533:AOA:A]

G. **World Bank Lending Rate Raised:** The World Bank announced in August an increase in its lending rate from 6.5 per cent to 7 per cent.

A Bank spokesman said it had been forced to raise its interest rate because of increases in the cost of borrowing funds in world markets.

The increase became effective with the announcement of a $34 million loan to the Philippines for the construction of irrigation facilities.

The last World Bank rate increase was a year ago when it rose from 6.25 per cent to 6.5 per cent (see page 8533).

The Bank last year lent about $1,300 million for projects in developing countries.

(The New York Times)

[Prev. ref. 8533:AOA:A]

H. **Increase In Freight Rates To USA:** It was announced in New York on September 2 that ocean freight rates to USA from India and Pakistan would increase by about 10 per cent from December 1.

The increase was announced by the West Coast of India and Pakistan-USA Conference, a group of foreign and American steamship firms that establish rates for the commodities trade.

A spokesman for the Conference said that the increase would vary according to commodity. The rates for jute, a key product of the trade route, were still being negotiated.

(The New York Times)

[Prev. ref. 9151:SGP:A]

I. **British Parliament's Homage To Mahatma Gandhi:** In a resolution passed in August, the British Parliament placed on record its acknowledgment of Mahatma Gandhi's great work for the people of India and the world and his friendship for the people of Britain.

The resolution was moved by Mr. Lewis Carter-Jones, Mr. John Hunt, Mr. David Steel, Mr. Julius Silverman, Dame Jean Vickers, Mr. Laurence Pavitt and Mr. Ben Ford.

It said: "That this House, on the occasion of the centenary year of Mahatma Gandhi, desires to place on record its acknowledgement of his great work for the people of this country, his life of simplicity and understanding which he demonstrated to the world, the importance of the brotherhood of man, the rejection of violence and the achievement of peace; and urges that strong support be given to the United Kingdom Committee responsible for celebrating the Gandhi Centenary in this country."

(The Times, London)

[Prev. ref. 8589:INI:A]

J. **Age Of Moon Rocks:** The chief scientist at America's Houston manned spacecraft centre, Dr. Willmot Hess said on August 24 that the Moon rocks brought back by the **Apollo-XI** astronauts were at least 3,500 million years old.

He said that the estimate was made by four scientists at the lunar receiving laboratory by measuring gases from the rocks with a spectrometre. The findings indicated that the rock was "formed in the very early history of our solar system."

The Earth is generally estimated to be 4,500 million years old.

The four scientists announced that rare bases in the lunar rocks indicated that the material was as old as the oldest rocks from the Earth's crust. The gases also indicated that some of these rocks had been exposed to cosmic rays on the surface of the Moon for hundreds of millions of years.

Most of the material brought from the Moon contained relatively large amounts of "solar wind gases, boiled off from the Sun and caught in the crystal structure of the lunar material." The Earth's magnetic field sweeps the relative low energy solar particles away from the Earth. But the Moon, without a magnetic field, allows them to be captured.

However, several crystalline rocks from the Moon contained considerably fewer solar wind particles than most of the materials studied so far. In the absence of such particles, the decay products from natural radioactive elements, as well as cosmic ray-produced nuclei were clearly identifiable. Thus, investigators were able to estimate certain ages.

These rocks—free of solar wind—had lain within a yard of the Moon's surface for an unexpectedly long time. They said the pick had been on or near the surface, indicating that the lunar surface underwent changes very slowly.

(The New York Times)

[Prev. ref. 9155:AOA:E]

K. *Possibilities Of Life On Mars —"Mariner" Space-craft's Findings:*

*A preliminary examination of data sent by **Mariner-6** and **7** has shown that if life were to exist on Mars, it would be greatly different from that on **Earth**.*

US Space Agency scientists said on September 11 that evidence sent to Earth by the spacecraft when they flew past the planet on July 30 and August 4 showed the Martian atmosphere "generally hostile to any Earth-style life forms." Mars appeared to be heavily cratered, bleak, cold, dry and almost air-less.

The scientists said that ultra-violet measurements showed atomic hydrogen and atomic oxygen in Mars' upper atmosphere. Carbon dioxide and carbon monoxide also were present as expected. But the initial study had failed to reveal any evidence of nitrogen. "If additional intensive analysis substantiates this conclusion, a very key chemical compound is missing from the Martian environment."

Measurements with an infra-red spectrometre aboard **Mariner-6** showed temperature variations of as much as 75 degrees within a 96-by-96 km area. The data also showed that there was local reflectivity of solar light and the darker spots on Mars were warmer than the light areas.

Temperature measurements showed Martian temperatures at noon as high as 60 degrees, falling at night to 100 degrees below zero.

(The New York Times)

[Prev. ref. 9156:AOA:F]

L. "Zond-7" Returns To Earth:

The Soviet Moonprobe **Zond-7** returned to the Earth on August 14, after orbiting the Moon.

Zond-7 had been launched on August 8. **Radio Moscow** said the automatic spacecraft had completed its programme in the vicinity of the Moon. **Zond-7** circled the Moon and "carried out a great amount of scientific research and experiments," before making a guided descent through the Earth's atmosphere and a soft landing in a pre-set area south of Kunstanai in Kazakhstan.

The flight around the Moon followed a trajectory correction manoeuvre.

(Tass)

[Prev. ref. 9155:AOA:D]

M. Ban On Nuclear Arms From Sea Bed— US-Soviet Draft Treaty:

The United States and the Soviet Union on October 7 presented to the UN Disarmament Conference in Geneva a joint draft Treaty to ban nuclear arms and other weapons of mass destruction from the sea bed.

The Treaty would come into force after ratification by at least 22 nations, including USA and the Soviet Union.

The agreement between the two super Powers, following seven months of hard bargaining, represented a compromise between the Soviet draft Treaty submitted on March 18 and a US version proposed on May 22.

The original Soviet draft of March had called for a ban on all types of weapons and military installations from the sea bed. The USA had refused to accept this concept on the ground that it would rule out strictly defensive devices such as submarine tracking stations.

Under the joint draft, States party to the Treaty will have the right to verify the activities of other participating countries on the ocean floor, beyond the 12-mile limit, but "without interfering with such activities or otherwise infringing rights recognized under international law including the freedom of the high seas."

The draft stressed that "nothing in this Treaty shall be interpreted as supporting or prejudicing the position of any State party with respects to rights or claims which such State party may assert.... related to waters off its coasts, or to the sea bed and ocean floor."

(The Times, London)

[Prev. ref. 8318:AOA:I]

N. Australian Interest In Indian Ocean:

The Australian Prime Minister, Mr. John Gorton, said in Canberra on October 8 that his country would take an increasing interest in the Indian Ocean and would start preliminary work on a naval base at Cockburn Sound in Western Australia.

Outlining his policy for the October 25 General Election in a nation-wide television and radio broadcast, he said the first step for the naval base would be construction of a causeway linking Garden Island in Cockburn Sound, 25 miles south of Freemantle, with the mainland. Work on the project would start in the second half of 1970. "Thereafter naval facilities will be progressively installed over a period."

He said the Government had already announced that Learmonth airfield in Western Australia would be upgraded to be an operational base on the Indian Ocean.

"We believe that the broad considerations of Australia's geopolitical position and national development point to the conclusion that naval support facilities in Western Australia will also be required in the future.

"Our fleet numbers will increase and we will have to take an increasing interest in the Indian Ocean as the British withdraw."

Mr. Gorton's announcement followed weeks of controversy in Australia about Russian influence in the Indian Ocean. The controversy had been touched off by the External Affairs Minister, Mr. Gordon Freeth's statement that Australia was prepared to look with close interest at any Russian proposals for regional security arrangements. His speech came after other Government supporters—including the retiring Defence Minister, Mr. Allen Fairhall—and the Democratic Labour Party had warned of increasing Russian activity and influence in the Indian Ocean.

(The Times, London and **The Times of India,** Bombay)

[Prev. ref. 9135:INI:A]

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CEYLON

A. Guidelines To Industrial Investors: The Ministry of Industries has published lists of industries where investment is welcome and fields in which adequate manufacturing capacity has been installed and authorized.

In approving proposals for setting up new industries, a Government Press Note said that the Ministry would give special consideration to:

(1) Industries which are likely to promote and stimulate the development of agriculture, animal husbandry, fisheries, or the traditional plantation crops—tea, rubber, coconut and cocoa;

(2) Industries based primarily on indigenous raw materials;

(3) Industries with export *potential;*

(4) Building and construction materials;

(5) Light engineering industries (including electrical and transport equipment);

(6) Processing of raw materials and manufacture of components (imported for use in assembly); and

(7) Essential consumer goods (import substituting).

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 8623:CEY:B]

B. White Paper On Indo-Ceylon Economic Co-operation: A White Paper on Indo-Ceylon economic co-operation was presented to Parliament recently by the Government.

The White Paper stated that the idea of economic co-operation between Ceylon and India "stems from the larger background of a growing need for multi-national co-operation between developing countries", and that it originated in the discussions in Colombo between the Prime Ministers of India and Ceylon when the Indian Premier, Mrs. Indira Gandhi visited Ceylon in September, 1967. At this meeting, the two Governments had "expressed their resolve to promote greater co-operation in economic, commercial and technical fields as well as in the fields of education, tourism, science and culture."

The White Paper referred to the subsequent discussions held at ministerial level in New Delhi in May-June, 1968, the talks between the two Prime Ministers when the Ceylonese Prime Minister, Mr. D. Senanayake visited India in December, 1968, and the first meeting of the Indo-Ceylon Economic Co-operation Committee in Colombo in January, 1969.

The document contained the text of the **communiques** issued after these discussions, the statements made by the leaders of the two delegations at the first meeting of the Committee in Colombo in January this year, and the texts of relevant resolutions on regional economic co-operation adopted at the Second UNCTAD in New Delhi and the Third ECAFE Ministerial Conference in Bangkok in December, 1968.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 8811:CEY:A]

C. French Credit: Following on the Aid Consortium meeting organized by the World Bank in Paris in March, France has offered Ceylon special credit facilities to purchase intermediate goods and light equipment of French origin, amounting to a total of 45 million francs.

This was the third credit offered by the French Government. The earlier credits were of 40 million francs each, allocated for the import of tractors, motor spares, tyres and tubes, base metals, building material, equipment for Government departments, fertilizer and other essential requirements.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 8491:CEY:C, 8871:CEY:A]

D. Air Services Agreement With Malaysia: An Air Services Agreement between Ceylon and Malaysia was signed in Colombo on September 7.

Under the Agreement, Ceylon's national airline, Air Ceylon, will have rights to operate air services between Colombo and Kuala Lumpur. On a reciprocal basis the national airline of Malaysia, Malaysia-Singapore Airlines, will have rights to operate air services between Kuala Lumpur and Colombo.

At present, Air Ceylon operates two flights to Kuala Lumpur, one using a VC-10 aircraft and the other its new Trident 1E.

(**The Hindu,** Madras)

[Prev. ref. 7976:CEY:C]

INDIA

SUMMARY: Gujarat Riots; Northern Zonal Council; Rebel Nagas Surrender; IDA Credit For Railways; Manipur Ministry Falls; Car Prices Fixed; Madras Refinery Inaugurated; Narmada Waters Tribunal Set Up.

A. Communal Riots In Gujarat: Communal riots, the worst since Independence, were sparked off in Ahmedabad (Gujarat) on September 18 when the Jagannath temple was attacked and Hindu ascetics who were driving about 200 head of cattle were manhandled by a Muslim procession heading for a religious function.

About a month earlier, a copy of the Quran had fallen down from a push-cart by collision with a police jeep. A fortnight later, disrespect was shown to the Ramayana.

There were group clashes on September 19 and curfew was clamped on four of the affected areas. There were 400 incidents on September 20 which included arson, shop-breaking, stabbing and firing. Riots broke out in Baroda on September 21. The districts of Mehsana and Nadiad were also affected. The police opened fire several times and bombs and other explosives were recovered from a shrine. Mr. Jethalal Vaidya died intervening in a clash between two groups. The city of Ahmedabad was then handed over to the military authorities. The fury of the riots reached its climax on September 22, when an attempt was made to attack the Sabarmati Ashram, which Mahatma Gandhi had established. The death toll had by then reached 350, with 2,200 persons arrested and 800 injured.

About 40 persons were killed on September 23, and arson and stabbing occurred in Gondol, 40 km from Rajkot. The Army, Border Security Force, State Police, CRP and SRP continued their round-the-clock vigil and arrested a few of the Jana Sangh and Mahasabha leaders on September 24. The search of a mosque yielded quantities of acid and explosives. The police resorted to firing at Anand to quell a violent mob. On September 25, the 21 UP Janta Express and the Ahmedabad-Karanja local train were attacked at wayside stations, and 17 persons were killed and several injured. There was, however, general improvement in the next few days. Curfew was relaxed on September 26 and Ahmedabad passed a peaceful night for the first time. The textile mills recommenced operation on all the three shifts from September 29 and buses plied in the normal way.

The Kutbi Mohalla of Ahmedabad, predominently a Muslim locality, remained a memorable example of peace and amity where, under the guidance and initiative of Mr. Nomanbhai Miyanbhai, a retired Chief Justice of the Gujarat High Court, full protection was given to the Hindus by the Muslims and life continued to be normal throughout.

It was estimated that the death toll during the eight days of rioting were between 1,000 to 1,500, with about 1,000 injured. Damage to property and business was great.

A deputation of three Members of Parliament—Mr. Asad Madni, Mr. Charanjit Yadav and Mr. Ranbir Singh— at the instance of the Prime Minister, visited Ahmedabad on September 23 and discussed the situation with the leaders of the Congress Party and the Opposition. They expressed general satisfaction with the performance of the Army and its efforts to control the situation. They also met Mr. Morarji Desai, who felt that there was "a mysterious hand "behind the riots. The deputationists, other Congress MPs and Mr. D. Sanjivayya, former Congress President, on September 25 demanded a judicial probe into the riots to determine whether any foreign element had a hand in the disturbances.

Mr. Y. B. Chavan, the Central Home Minister, toured the affected areas on September 24.

The Prime Minister, Mrs. Indira Gandhi, undertook an extensive tour of the riot-affected areas on September 25. She announced a donation of Rs. 1,00,000 from the Prime Minister's Relief Fund. Later at Delhi, she discussed the situation arising from the riots at a meeting of the Chief Ministers of States and urged upon them to strengthen the intelligence apparatus in their respective States, lay emphasis on preventive measures, set up inter-communal bodies for communal harmony and put down such disturbances ruthlessly. The meeting decided that there should be closer liaison between the Central and State intelligence set-ups, special cells should be established exclusively for communal activities and district administration should be strengthened.

Mr. Jaya Prakash Narayan, who visited Ahmedabad on September 29, described the riots as "a clash between pro-Pakistani elements and pro-Hindu elements."

The Government of Gujarat announced on September 30 the appointment of a Judicial Commission consisting of three Judges of the High Court to make a thorough probe into the causes and other aspects of the riots.

Earlier, on September 25, the Pakistan High Commissioner sought permission of the External Affairs Ministry to send a high-ranking official of the Embassy to Ahmedabad to study the situation, at the same time accusing the Government of India of failure to protect minorities in the country. The request, which the External Affairs Ministry characterized as "an attempt to exploit communal disturbances for propaganda purposes," was turned down.

The President, Mr. V. V. Giri expressed on September 26 his "anguish and sorrow" at the Ahmedabad happenings which were all the more painful as they had occurred "in the city hallowed by Mahatma Gandhi's close association."

Fasts Of Atonement:

Mr. Indulal Yagnik, MP, and leader of Mahagujarat Janta Parishad, who had commenced an indefinite fast in a riot-affected area on September 21 to restore communal harmony, broke it on September 29, while Mr. Morarji Desai, former Deputy Prime Minister, who had started a similar fast on September 23, "to clear his conscience" and revive whatever feelings he could, broke it on October 2, after having lost 11 lbs in weight.

Khan Abdul Ghaffar Khan, the Pakhtoon leader, who was currently in India to participate in the Gandhi Birth Centenary celebrations, announced at a mammoth public meeting in New Delhi on October 2 that he would undertake a fast for three days from October 3 as a protest against the prevailing violence, mutual hatred and communal feeling among the people of India.

Relief Measures:

The Gujarat Revenue Minister, Mr. P. Thakki, giving details of relief measures, disclosed that the Government had given shelter to 35,000 persons during the first four days of the riots and that about 19 relief camps were being run by the Government and voluntary agencies.

He announced relief payment of Rs. 1,000 each to families who had lost their earning member and Rs. 500 each to those permanently disabled. Victims of the railway incidents would also be paid compensation.

Mr. Y. B. Chavan's Criticism:

Addressing the Consultative Committee of Parliament on Home Affairs in New Delhi on October 8, the Central Home Minister, Mr. Y. B. Chavan virtually censured the Gujarat Government for its failure to check in time the savage communal riots in Ahmedabad.

Answering members' criticism that the Government had failed to prevent communal riots in Gujarat and other parts of the country, he said, the Government of India had drawn the attention of the Gujarat Government to the deteriorating communal situation in the State as early as April, 1969. The Central Home Secretary had written to the Chief Secretary of the Gujarat Government on this issue. Later, the recommendations of the Standing Committee of the National Integration Council suggesting setting up of State-level committees for maintenance of communal harmony were forwarded to all State Governments. But even as late as September, 1969, the Gujarat Government wrote to the Centre that the State was "traditionally free from communal problems."

Rejecting the argument that the Gujarat Government did not have enough police force to deal with the situation, he said the State had 40,000 policemen, of whom 19,000 were armed. Many more could be armed at short notice as 33,000 firearms were available.

He also informed the Committee that instructions had been given to the States to recruit Muslims to the police force for the past two years. In regard to the forces under the jurisdiction of the Centre, this was already being done so that the minority community could have enough confidence in the administration.

(**The Times of India**, Bombay and New Delhi and **The Hindustan Times**, New Delhi)

[Prev. ref. 8294:INI:Q]

B. Congress Ban On Defectors Relaxed: On October 7 in New Delhi, the Congress Parliamentary Board relaxed the ban on defectors. In future, they will be disqualified for Cabinet posts in the Governments run by it only for one year and not till the next General Elections. This means considerable dilution of the Haryana formula, adopted in 1968.

The Board decided on relaxation of the demand of Mr. G. N. Singh's group in Madhya Pradesh. Mr. Morarji Desai opposed any move to make things easier for defectors, but he was out-voted.

To provide justification to the change in the Haryana formula, the Board relied on the report of the Committee on Defections, which had recommended a one-year ban. The Committee's report had yet to be adopted by the party: at the Faridabad A-ICC, a general approbatory reference was made to it in the omnibus political resolution.

The immediate impact of the decision will be felt in Madhya Pradesh where Mr. G.N. Singh has been trying to ensure "an honourable place" for his associates who returned to the Congress fold after a two-year spell in office as part of the SVD Government with the Jana Sangh and the Rajmata group.

Mr. Singh and 18 others will qualify for office after another six months, but five of his friends who had deserted him earlier to start the rot in the SVD might press their claims right now.

The concession will not affect the ban on nomination of defectors as Congress candidates in possible mid-term polls.

(**The Statesman**, New Delhi)
[Prev. ref. 8458:INI:E]

C. Northern Zonal Council Meeting: The Chief Ministers of four Northern States and the Chief Executive Councillor of Delhi Administration, who met in Srinagar on October 4 for the 11th Northern Zonal Council, decided to have detailed studies made of the communal problem and matters relating to integration in the region and give the item high priority at their next meeting.

In his opening address to the Council, the Central Home Minister, Mr. Y. B. Chavan, highlighted the communal problem and called for "an all-out war" against the communal menace.

The Council approved a suggestion made by the Rajasthan Chief Minister to set up an association of public sector undertakings in the region to discuss problems of common interest and overcome difficulties through exchange of views.

It also accepted two other suggestions from Rajasthan for exchange of technical personnel working in similar public sector undertakings in neighbouring States for promoting exchange of technical know-how and for consultations between neighbouring States before setting up similar industries along their borders. The instance of sugar was specifically mentioned.

The Council was informed that in the absence of co-ordination and agreement between the States, such a move could create difficulties in obtaining raw materials and skilled labour.

(**The Hindustan Times**, New Delhi)
[Prev. ref. 6596:INI:A]

D. Rebel Nagas Surrender: According to an official report received in Kohima on September 18, twenty-two rebel Nagas had surrendered with their arms to the local administration in Siyochung in Tuensang district bordering Burma.

Siyochung is in Sangtam area in Tuensang and this was the first large-scale surrender from the district.

With this, the total number of hostiles who had surrendered in the last six months in various parts of Nagaland came to over 2,220.

All the surrendered hostiles were being rehabilitated by the State Government through its collection centres organized at three places.

Hostile Nagas' Attack:

It was reported from Imphal that a large gang of "Federal Naga Army" armed with light machine-guns and other automatic weapons had made a surprise attack on a Manipur Rifles post at a place in Ukhrul sub-division of Manipur on September 23.

The attack was repulsed by the Manipur Rifles and in a gun battle lasting over an hour, a jawan sustained bullet injury. No casualty on the hostiles' side was known.

In two Naga ambushes on September 24, four persons were killed and four wounded.

Three jawans and an Assistant Commander of Manipur Rifles were killed when they were ambushed by a large gang of China-trained Naga hostiles near Litan, on the Ukhrul road, Official reports said that the gang was armed with automatic weapons.

Cease-fire Extended:

The Assam and Nagaland Governor, Mr. B. K. Nehru, announced on September 30 the extension of the Agreement suspending hostilities by another month ending October 31.

The extremist federal underground faction also announced on September 30 the extension of the cease-fire for another two months ending November 30. The announcement did not contain the specific suggestion that it would be a "complete cease-fire".

(**The Hindustan Standard**, Calcutta)
[Prev. ref. 9160:INI:F]

E. Pro-China Meeting On "Indian Revolution": A meeting sponsored by the Chinese Revolution Anniversary Celebration Committee, held in Calcutta on October 3 under the presidentship of Mr. Asit Sen, called upon the Indian people to follow the Chinese path of "armed revolution against counter-revolution" and "develop mass economic and political struggle".

Describing the path of the Indian revolution as ""tortuous and protracted", a resolution stated that the Indian people would have to "master all forms of organizations and struggles with the sole object of hastening and co-ordinating them with the highest form of class struggle — the armed struggle" The people would have to effectively combat the influence of varieties of "revisionism" and "Left" efforts.

Maintaining that the Indian revolution could not advance without China and without Mao's Thought it appealed to the Indian people to resolutely defend "Socialist China against the counter-revolutionary moves of imperialism and social-imperialism"

(**The Statesman** and **The Hindustan Standard**, Calcutta)
[Prev. ref. 8685:INI:E, 9197:INI:N]

F. Acharya Vinoba Bhave Fears Attack In North-East: In an article in Samyayog, a weekly published from Wardha on October 8, Acharya Vinoba Bhave said that he feared an external aggression on the north-eastern border of the country. He also indicated the area where the attack would come.

He said that the 'bottleneck' on the north-eastern border made Chinese and Pakistan invasions easy. If there were subversive activities in Bengal, Assam would be isolated from the rest of the country. If such an attack were to materialize, the upper portion of the Brahmaputra River might go to China and the lower region to Pakistan. Only the **gramdan** movement could avoid this danger.

Explaining why he was in a hurry to complete his **gramdan** mission, he said that the independence of the country could be maintained only through effective **gramdan** movement.

Naxalite activities, he said, were also gaining ground because of lack of cordial relations between the employers and employees and the general discontent among the people.

(**The Hindustan Standard,** Calcutta)
[Prev. ref. 3477:INI:M]

G. IDA Credit For Railways: It was disclosed in Washington on September 25 that the International Development Association (IDA), an affiliate of the World Bank, had approved a credit of $55 million (Rs. 41.25 crores) to India.

The credit will cover part of the foreign exchange cost of the investment programme of the Railways for 1969-71. It will be for a term of 50 years, including a 10-year grace period. It will be interest-free but will carry a service charge of 0.75 per cent per annum which will cover IDA's administrative costs.

The largest single category to be financed by the IDA credit (69 per cent) will be the import of components and materials for rolling stock. Other important items will be imported electrical, signalling and tele-communications equipment. With the exception of certain components which will be purchased under licensing agreements and equipment where the Railways use sole source procurement for the sake of standardization, the goods to be financed by the credit will be procured under international competitive bidding.

(**The Statesman,** New Delhi and **The New York Times**)
[Prev. ref. 8792:INI:F]

H. World Bank Loan For Seed Farm In UP: The Deputy Governor of the Reserve Bank and Chairman of the Agricultural Refinance Corporation, Mr. P. N. Damry, disclosed in Bombay on September 29 that documents concerning a new World Bank loan of Rs. 6.9 crores for the Terai seed farm in Uttar Pradesh had been signed recently.

He said that the World Bank had sent out teams to investigate prospects of its assistance in the agricultural fields. He expected assistance to flow into tube-wells, minor and major irrigation schemes, long-term land development projects, tractorization and mechanization of farms and setting up of seed farms.

The Rs. 12.5-crore Terai seed farm is a project receiving assistance from the State Bank of India, through re-finance offered by the Corporation. The State Bank will provide Rs. 9.5 crores, of which the World Bank has assured assistance of Rs. 6.9 crores to meet the foreign exchange cost of the project.

(**The Times of India,** Bombay)
[Prev. ref. 8682:INI:B, 9068:INI:E]

I. Air Force Promotions: A number of substantive promotions in the Air Force were announced on October 5.

Acting Air Marshal O. P. Mehra, PVSM and acting Air Marshal Y. M. Malse, PVSM were promoted to the rank of substantive Air Marshals.

Acting Air Cdre. Jaspal Singh, VM, acting Air Cdre. J. Zaheer and acting Air Cdre M. Chand were promoted as substantive Air Commodores.

Acting Gp Capt. B. W. Chauhan, acting Gp Capt. Chandan Singh, AVSM, VR C, Acting Gp Capt. A. L. Michael, acting Gp Capt. B. Sen, acting Gp Capt. W. Raj, acting Air Cdre S. W. Desai, acting Air Cdre R. S. Bhambral, and acting Gp Capt. J. Chandra were promoted to Group Captain.

The following Assistant Wing Commanders were promoted as substantive Wing Commanders: B. R. Misra, M. S. Rane, S. Sen, M. K. Rudra, T. K. Dey, D, Sature, C. R. Bose, P. P. S. Madan, J. N. Jatar, H. M. S. Chatwal Gupta, N. V. Bal, D. E. Gomez, M. J. Vittal, G. N. Baindur, M. K. Gupta, V. C. Garde, D. S. V. Krishna Swamy, K. V. Lakshminarayana. G. Venkateswaran, A. K. Banerji, M. Sanyal, V. V. Prabhu, E. S. Rao, P. Madhavan, I. S. Dua, K. S. Bedi, P. R. Nanda, M. Damodran, R. P. Jaiswal, S. G. Chitnis, V. K. Joseph and K. V. N. A. Venugopal.

Air Commodore A. R. Pandit Promoted:

Air Commodore A. R. Pandit, Director of Operations at Air Headquarters, was appointed on September 28 as Air Officer Commanding, Western India with the rank of Air Vice-Marshal.

The 48-year-old Air Vice-Marshal was commissioned in the Air Force in 1941 and served with No. 1 Squadron during World War II. He was awarded the Distinguished Flying Cross for conspicuous gallantry during the operations in Burma and Ati Vishist Seva Medal this year for "distinguished services of the highest order."

(**The Times of India,** New Delhi)
[Prev. ref. 9133:INI:B]

J. Manipur Ministry Falls: The eight-month-old Congress Ministry in Manipur headed by Mr. M. Koireng Singh was voted out of office in the State Assembly in Imphal on September 24.

A motion of no-confidence moved in the 32-member State Legislative Assembly was carried by 19 votes to 11. Nine members of the ruling Congress joined hands with the Opposition. One member was absent.

The no-confidence motion was moved by Mr. Ibohal Singh (CPI) of the United Front Legislature Party.

The Congress has a strength of 20 in the 32-member House.

Mr. Salam Gumbhir Singh, Secretary of the Congress Legislature Party asked the Speaker for "conscience" vote on the motion of no-confidence.

Mr. Koireng Singh submitted his resignation to the Chief Commissioner, Mr. Baleswar Prasad, immediately after the adverse vote in the Assembly. He was asked to continue in office as a care-taker Chief Minister until alternative arrangements were made.

The Ministry's defeat came within hours of the departure of the Prime Minister, Mrs. Indira Gandhi, after a day's visit to Imphal.

Mr. Singh told newsmen that he had taken a serious view of the floor-crossing by some Congress members. It was a clear case of indiscipline. The crossing of floor had led to the fall of the Ministry.

(**The Hindustan Standard** and **The Statesman,** Calcutta)
[Prev. ref. 8145:INI:F]

K. Car Prices Fixed: The Government of India issued a Gazette notification on September 21 imposing statutory control on the prices of the **Ambassador, Fiat** and **Standard Herald** cars.

The action was taken under the Industries (Development and Regulation) Act of 1951 which empowers the Government to control supply, distribution and prices of certain articles.

The notification, which came into effect immediately, fixed the ex-factory price of the **Ambassador** car at Rs. 15,316, of **Fiat** at Rs. 14,325 and of **Standard Herald** (4-door) at Rs. 14,003.

The revised prices provided for an increase of Rs. 424 for the **Ambassador** and Rs. 774 for the **Fiat.** There was no price revision in the case of the **Standard Herald** as the Government was awaiting the recommendations of the Tariff Commission regarding the four-door model. The price of the **Standard Herald** was pegged at the existing level.

According to the new rates, the prices of the three cars on the road in Delhi would be about Rs. 21,900 for the **Ambassador,** Rs. 19,700 for Fiat and Rs. 19,800 for the **Standard** Herald.

There had been no statutory price control on cars hitherto. The industry and the Government had, however, followed the practice of informal price control under which car prices were fixed by mutual consultation.

A Press Note issued by the Ministry of Industrial Development, Internal Trade and Company Affairs said that the Government had taken the action in view of the unilateral *price rise of Rs.* 2,313 for the **Fiat** and Rs. 1,267 for the **Standard Herald** by the manufacturers a few days earlier. The **Ambassador** manufacturers retained their prevailing selling price.

The Gazette Notification amended the Motor Car Distribution and Sales Order of 1959, issued under Section 18-G of the Industries (Development and Regulation) Act. Two new clauses were added to the Order prohibiting the manufacturers from withholding the supplies and the dealers from sales to the consumers at the notified prices.

The prices announced, it was said, had been fixed on the basis of the Tariff Commission's investigation into the cost structure of the car industry. The Commission had been asked in December, 1967 to fix a fair selling price for these cars, taking into consideration the increased labour and other manufacturing costs. Its report was submitted in May, 1969.

In April, 1969, the three manufacturers represented to the Government that they should be allowed to increase the prices of their cars immediately on the ground that they were incurring considerable losses by selling their cars at the approved prices. The increases sought were Rs. 1,750 for the **Ambassador,** Rs. 1,600 for **Fiat** and Rs. 1,200 for **Standard Herald.** In the case of the **Ambassador** and **Fiat,** the price increases were sought as a first step.

The manufacturers re-iterated their demand in July, 1969 and sought higher increases (Rs.. 2,541 for **Ambassador,** Rs. 2,797 for **Fiat** and Rs. 2,785.71 for **Standard Herald**). It was represented that the Government should take into account the recent increases in the prices of bought-out components, the increase in the price of steel, the statutory minimum bonus payable under Section 10 of the Bonus Act and additional cost of warranty claims and resultant increase in dealers' margin.

Referring to the manufacturers' demand, official sources maintained that in the Government's view the price rise demanded by the manufacturers was based on an arithmetical calculation without taking into consideration operational efficiency of their plants and the scope for cost reduction. These sources held that in fixing prices, the Government had taken note of its responsibility to ensure efficiency in the industry as well as to make sure that it was just to both the manufacturers and the consumers.

No increase was afforded to the dealers in the revised prices as it was felt that the dealers did not have to put in any special effort for sales promotion in the present market conditions.

Another factor that weighed with the Government was the unsatisfactory nature of after-sales services by the dealers.

The original prices of cars had been fixed after a Tariff Commission inquiry in 1956. Since then, the increases had totalled Rs. 3,702 for the **Ambassador,** Rs. 3,811 for **Fiat** and Rs. 4,555 for **Standard Herald.**

Explaining the Government's decision, a spokesman of the Ministry of Industrial Development said that a paradoxical situation obtained in the automobile industry in which higher production had been accompanied by higher prices.

According to him, the production had nearly doubled in the last few years and yet the manufacturers had not been able to bring down the cost of production. There was no attempt to reduce costs or improve the quality of the vehicles manufactured. The Government had issued certain directives on the basis of the Pande Committee report on the quality of motor cars, but these too had not been carried out faithfully.

He said that in future the Government might ask the Tariff Commission to fix prices of cars on the basis of the production costs of the most efficient unit.

He indicated that in order to force the units in the private sector to reduce costs, the Government might soon take a decision to set up a small car project in the public sector and provide efficient competition to the private sector manufacturers.

The three manufacturers in the private sector together manufacture about 40,000 cars a year. Their production has gone up steadily from 15,711 in 1963 to 37,308 in 1968. The production from January to July, 1969 was 20,137 cars.

Of the three, Hindustan Motors had an installed capacity of 24,000 cars and its production in 1968 was 22,687 cars. **Fiat** had a capacity of 12,000 and production was 12,276 cars and **Herald** had a capacity of 3,000 and its production was just 2,345 cars.

The production was not equal to the demand. The Planning Commission had estimated that the demand for cars by 1973-74 would be 75,000 a year. The Government had under consideration the question of allowing expansion of the existing units.

Tariff Commission To Re-Cost "Fiat" Car:

It was stated in New Delhi on October 6 that the Government had not accepted the Tariff Commission's recommendation on the net dealer price of **Fiat** car and had decided to request the Tariff Commission to re-cost it.

The Tariff Commission's recommendations on automobile prices and the Government decisions were published in a Government resolution on October 6. While accepting the Commission's supplementary report fixing the net dealer price of **Ambassador** car at Rs. 14,006, the Government did not agree with the method adopted in fixing the **Fiat** car price at Rs. 13,300.

Writ Petitions Admitted:

The Supreme Court admitted on September 26 the writ petitions filed by Premier Automobiles Ltd., the Standard Motor Products of India and the Hindustan Motors Ltd., challenging the validity of the Motor Cars (Distribution and Sale) Control (Amendment) Order, 1969 fixing the retail sale prices of cars, but refused to grant stay of the operation of the Order.

The hearing of the petitions was, however, expedited and the Court directed the petitions to be listed within a fortnight.

The petitioners, who are manufacturers of the **Fiat, Standard Herald** and the **Ambassador** makes of cars respectively, had challenged the constitutional validity of the Order.

It was pleaded that under the Industries (Development and Regulation) Act, the Government was empowered to fix a "fair price" for the sales of commodities. The prices fixed by the Government were based on arbitrary considerations and not on sound economic principles. If the manufacturers were compelled to sell the cars at the prices fixed by the Government, they would run into heavy losses.

It was also pleaded that if Section 18-G of the Act was taken to mean that the Government had unfettered power to fix the price of any commodity, the Section itself was discriminatory and unconstitutional. It was submitted that the prices fixed were unfair and had overlooked obvious costs of manufacture such as depreciation interest on loans and other factors.

(**The Times of India,** New Delhi and Bombay and **The Statesman,** Calcutta)

[Prev. ref. 2521:INI:I, 6596:INI:J]

L. Madras Refinery Inaugurated: *India's most modern petroleum refinery, built with American, Iranian and Italian co-operation at Manali (near Madras), was formally inaugurated by the President, Mr. V. V. Giri, on September 27.*

Mr. Giri said that the inauguration of the Madras Refineries Ltd. marked a "qualitative change" in this region in that Tamil Nadu had entered "in a big way the petro-chemical field."

The American Ambassador, Mr. Kenneth B. Keating, said that the occasion was a rare one. "We see representatives of four nations—India, Iran, Italy and USA—whose finest creative and technical talents have blended together to build an industrial plant that ranks with the most modern anywhere on the globe today."

The Iranian envoy, Mr. Mohammad Raza Amir Teymour, and the Italian Ambassador, Dr. Maurizio de Strobel di Fratta e Campocigno, hoped collaboration between Indian organizations and those of their countries would expand in future.

The Rs. 44-crore refinery is designed to process 2,500,000 tonnes of high sulphur darius crude annually. It went on stream in June, 1969. With all the 13 processing units compactly installed on some 80 acres, the Manali refinery offers the widest range of products obtained, though the processing of high sulphur, crude oil—elemental sulphur, naphtha, treated liquefied petroleum gas for cooking, petrol, aviation turbine fuel for jets, kerosene, diesel oil, 11 grades of lube base stocks, industrial fuel and asphalt. With the addition of this refinery, the total available refinery capacity In the country would rise to 20,00,000 million tonnes annually

No member of the Tamil Nadu Government was present at the inauguration. The Chief Minister, Mr. M. Karunanidhi, told newsmen that the Tamil Nadu Government was not consulted about the function. The Industries Minister, Mr. S. Madhavan, who was billed among the speakers, did not turn up at the refinery.

(**The Hindu,** Madras)

[Prev. ref. 6818:INI:E]

M. Narmada Waters Tribunal Set Up: The Government of India announced the appointment of a three-member Tribunal to go into the inter-State dispute over Narmada waters on October 6.

The Tribunal will consist of Mr. Justice V. Ramaswamy, Judge of the Supreme Court as Chairman, Mr. Justice V.P. Gopalan Nambiar, Judge of the Kerala High Court and Mr. Justice G.C. Mathur of the Allahabad High Court.

The dispute concerns Gujarat on the one side and Madhya Pradesh and Maharashtra on the other. Rajasthan has been called as the **pro-forma** respondent.

The Central Government referred to the Tribunal a letter dated July 6, 1968 concerning the dispute, received from the Government of Gujarat. The letter, among other things, raised the question of Gujarat's rights to build the Navagam Dam to its optimum height commensurate with the interests of the State and to distribute any surplus power generated. Gujarat also raised an objection to the construction of the Jalsindhi Dam.

The Tribunal will be asked to decide on the procedure it should adopt and the period by which it should give its verdict. The appointment of the Tribunal was made under the Inter-State Water Disputes Act.

Even though four States—Gujarat, Madhya Pradesh, Maharashtra and Rajasthan—are concerned in the six-year-old dispute, it is only the first two that have vital stakes on the way the question is settled.

The two State Governments have made conflicting claims in regard to their share of the Narmada waters and efforts of the Central Minister for Irrigation and Power, Dr. K. L. Rao, to bring about an amicable settlement through negotiations have failed.

On May 12, 1969, Dr. Rao announced in Parliament the Government's proposal to refer the dispute to a Tribunal in the same way as the Krishna waters dispute had been referred.

Madhya Pradesh had taken strong objection to the proposal of Gujarat to construct a Dam at Navagam and wanted the bulk of the waters of the river for its own use on the ground that most of the Narmada water runs through the State. Gujarat wanted the Dam to be 500 feet high, but the Madhya Pradesh Government contended that this would lead to submersion of vast areas in that State.

The Narmada Water Resources Development Committee headed by Dr. A. N. Khosla had estimated the irrigation potential of the river at 11,000,000 acres and power potential at nearly 2000 mw. The Committee had prepared a master plan for Narmada valley development, giving irrigation benefits of 6,500,000 acres to Madhya Pradesh, 10,000 acres to Maharashtra, 4,581,000 acres to Gujarat and 100,000 acres to Rajasthan.

In July, 1969, Madhya Pradesh had sought a stay order against the Central Government's decision to appoint a Tribunal to go into the dispute, but it was rejected by the Court.

(**The Times of India,** Bombay and New Delhi)

[Prev. ref. 8303:INI:H]

N. HAL Earns Profit: It was disclosed in Bangalore on September 29 that Hindustan Aeronautics Ltd. (HAL), a Central public sector undertaking, had earned a profit of Rs. 2.22 crores in the financial year April, 1968 to March, 1969.

The quantum of profit, which was the highest since the inception of HAL, had been shown after providing Rs. 3.51 crores for depreciation and Rs. 3.19 crores for interest payments.

(**The Hindu,** Madras)

[Prev. ref. 7966:INI:E]

O. Possibility Of Petro-Chemical Complex In Assam: The Minister of Petroleum and Chemicals, Dr. Triguna Sen, said at a news conference in New Delhi on September 29 that "oil is not there" to start another refinery in Assam, but a petro-chemical complex, which would create more employment opportunities than a refinery, could be started in the State soon.

Dr. Sen said that both the existing refineries in Assam—at Digboi and Gauhati—could be expanded. Such expansion could eventually lead to the establishment of a petro-chemical complex.

While talking of expansion of the existing refineries, he obviously had in mind the potential already created by the Oil and Natural Gas Commission (ONGC) from proven wells. The ONGC could now produce about 1,000,000 tonnes of crude from these wells. But this quantity was hardly adequate to meet the needs of another refinery in the State.

(**The Statesman,** New Delhi)

[Prev. ref. 8627:INI:I, 9089:INI:D]

P. **New Giant Tanker For Shipping Corporation:** Indian shipping entered the "giant ship age" with the delivery of the 88,000-ton Jawaharlal Nehru to the Shipping Corporation by the builders, Split Shipyard of Yugoslavia, on October 1.

The delivery ceremony took place at Malta.

The tanker has been chartered to the British Petroleum Tanker Company.

Mr. C. P. Srivastava, Chairman and Managing Director of the Corporation, said that along with the sister vessel, the **M.T. Lal Bahadur Shastri, Jawaharlal Nehru** would be used for transporting 2,500,000 tonnes of crude oil annually for the Madras refinery in 1970 when the outer harbour at Madras would be ready to receive such large vessels. Till then, the tanker would be deployed on international trade by the charterers, B. P. Limited, for 12 months, and was expected to earn foreign exchange amounting to about £1,000,000.

(**The Times of India,** Bombay)

[Prev. ref. 7988:INI:D]

Q. **Joint IAS Cadre For Union Territories – Delhi High Court Quashes Central Government Order:** The Delhi High Court on September 25 quashed the Central Government's order forming a joint Indian Administrative Service (IAS) cadre exclusively for the Union Territories by merging the Indian Frontier Administrative Service into the Delhi-Himachal Pradesh IAS Cadre.

Admitting writ petitions by Mr. Prem Kumar and 10 other IAS officers challenging the constitutional validity and legality of the new Cadre, the Court also held that the formation of the Delhi-Himachal Cadre of the IAS was **ultra vires** of the Constitution.

The Court ruled that since the Union Territories were successors of Part "C" States, they were also expressly excluded from the definition of "States". It, however, said that its order shall not be enforceable for a period of two months during which the Government might re-organize the IAS.

The Court ordered that the petitioners be placed in an appropriate State cadre or cadres and the number of officers going to the Central Government from the State cadres be increased. This was to ensure that they would man not only higher posts of the Central Secretariat, but such posts in the Union Territories also. Alternatively, the Central Government could obtain a stay order from the Supreme Court.

The Court also granted the Government leave to appeal to the Supreme Court.

(**The Statesman,** New Delhi)

R. **Coal Deposits Discovered In Nagaland:** According to official sources in Kohima (Nagaland) on September 17, large deposits of coal had been discovered in the north-west and south-west parts of Nagaland.

In Nazira area of Tuensang district alone, there were said to be about 55 million tonnes of coal deposits. The Geological Survey of India would further examine the entire State for possible reserves of coal and other minerals.

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 4565:INI:O, 6305:INI:G]

S. **Kerala University Act Provisions Held Void:** A Full Bench of the Kerala High Court, by a unanimous judgment in Cochin on September 19, struck down several far-reaching and controversial provisions of the Kerala University Act, 1969 as being bad in law and offending Article 19(1)F of the Constitution.

The Court dismissed the batch of 37 writ petitions filed by private college managements belonging to the Christian minority as well as the Nair Service Society (NSS) and SNDP Yogam challenging the Act, except for striking down certain Sections.

The Full Bench also dismissed petitions filed by the NSS and the management of the Sree Sankara College, Kalady, insofar as they related to the running of their institutions, on the ground that they were companies and hence could not claim the rights of a citizen.

The Bench consisted of the Chief Justice, Mr. P. T. Raman Nair, Mr. Justice Govindan Nair and Mr. Justice V. P. Gopalan Nambiar.

The High Court struck down Clauses 2 and 4 of Sections 48 and 49 respectively (dealing with the constitution of the governing body and managing councils in private colleges), Clauses 1, 2 and 3 and 9 of Section 53 (appointment of teachers by the governing body for private colleges, appointment of principals and appeal to the Syndicate), Clauses 2 and 4 of Section 56 (conditions of service of teachers and provision for obtaining the previous sanction of the Vice-Chancellor and appeal to the Syndicate) and Section 58 of the University Act (dealing with teachers elected to State Legislatures and the Lok Sabha except to the extent that it relates to local authorities not involving absence from teaching duties at colleges) as being bad and offending Article 19 (1) F of the Constitution so far as the citizens' petitions' were concerned and also for offending Article 30 (1) of the Constitution so far as minority institutions were concerned.

The Court observed: "Accordingly in all petitions (excepting the petitions filed by Sri Sankara College, Kalady and Nair Service Society registered under the Indian Companies Act and Travancore Companies Act respectively), we grant a declaration that these provisions of the Act are void and unsustainable and no further relief than such declaration seems necessary against parties like the Government and the University."

It also quashed Section 63 of the University Act and said that it was not saved by Article 31 (A) (1) (B). It also offended Articles 39 (1) and 31 (1) and 2.

Stating that the scope and content of Article 30(1) were not a charter for maladministration, the Court observed they were regulatory in character so that the right to administer (educational institutions) may be better exercised for the benefit of the institution.

Referring to Articles 19(1)F and 31 (1) of the Constitution, it said it was an essential and important instance of holding property and where it stemmed from legal or beneficial interest in property, any restriction on the exercise of that right was a restriction on the right to hold property guaranteed under Article 19(1)F and could only be justified as reasonable restrictions in the interests of the general public.

(**The Hindu,** Madras)

T. Mr. V. Saklecha's Election Set Aside: The election of Mr. Virendra Saklecha, former Deputy Chief Minister of Madhya Pradesh and leader of the Jana Sangh group in the State Assembly, was set aside by the Indore Bench of the Madhya Pradesh High Court on September 30.

Mr. Justice H. R. Krishnan found Mr. Saklecha guilty of several corrupt practices including "exploita- of religion" under Section 123 of the Representation of Peoples Act.

He was held guilty of corrupt practices on an election petition by Mr. Jagjiwan Joshi, the defeated Congress candidate.

Delivering the 309-page judgment, Mr Justice Krishnan dismissed a recrimination petition filed by Mr. Saklecha as a sequel to Mr. Joshi's plea that he be declared elected in the event of Mr. Saklecha's election being declared void.

On a subsequent application by counsel for Mr. Saklecha for a stay of the Court order to enable him to appeal to the Supreme Court against the judgment, Mr. Justice Krishnan granted **interim** stay of the order for one month.

Under the provisions of Section 8-A of the Representation of Peoples Act, 1951, Mr. Saklecha stands disqualified for a period of six years for contesting election to any legislature.

(**The Times of India**, Bombay)

[Prev. ref. 8509:INI:E]

U. Addition To Punjab Cabinet: Mr. Manmohan Kalia (Jana Sangh), who had been a Minister-designate since July 21, was sworn-in as a member of the Punjab Cabinet in Chandigarh on September 29.

The Jana Sangh now has three Cabinet members—two from the Assembly and one from the Upper House—in the 17-member Akali-Jana Sangh coalition. Its strength in the Assembly is eight against 54 of the Akalis in the 104-member House.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 9121:INI:B]

V. Compulsory Retirement Age Of Government Employees—Allahabad High Court's Ruling: A Full Bench of the Allahabad High Court by a majority judgment on September 29 held that the age of compulsory retirement of a State Government servant was 58 years. The power vested in the appointing authority to retire a Government servant after 55 was unconstitutional.

This ruling was given by the Full Bench while replying to two questions referred to it by a Division Bench. The matter had come before the Division Bench on appeal. The appellants had made an appeal to the Division Bench after their writ petition had been dismissed by the High Court.

The questions referred were: (1) whether under Fundamental Rule 6, the age of compulsory retirement is 52 or 58 years; (2) whether proviso to Clause (A) of the Fundamental Rule 56 violates Articles 14 and 16 of the Constitution.

The Bench was of the view that under Clause (A) of the Fundamental Rule 56, the age of compulsory retirement was 58 and that Para (1) of the proviso to Clause (A) of Fundamental Rule 56 violated Articles 14 and 16 of the Constitution.

(**National Herald**, Lucknow)

[Prev. ref. 6351:INI:X]

ISRAEL

A. Air Battles In West Asia—More Fighting: In the biggest attack by Israel on any Arab Power since the June, 1967 war, Israel struck at the United Arab Republic across the Gulf of Suez at dawn on September 9 and pulled back ten hours later after killing 100 Egyptians and destroying army bases, military vehicles, radar installations and buildings.

The Israelis claimed they had withdrawn according to plan, but UAR asserted it had repelled the Israeli attempt to land troops on the western shore of the Gulf along a 50-km. frontline. Israeli troops were supported by tanks and air and naval units.

According to **Cairo Radio**, the Israelis "suffered a large number of losses in both men and equipment before being forced to turn tail." Three Israelis planes were shot down and two torpedo boats sunk.

Israel, on the other hand, said that only one Israeli soldier was slightly wounded and all men and equipment returned safely to base. It, however, conceded that it lost one plane in anti-aircraft fire. The pilot of the plane parachuted into water. Israeli helicopters flew over the area searching for him, but without success.

The UAR, it was reported, did not put up air or sea resistance. Israeli planes bombed and strafed artillery batteries and units of the Soviet-built surface-to-air (SAM) missiles. The Israelis used naval vessels to take their armour across the 25-mile-wide Gulf of Suez.

An Israeli announcement described the operation as a "raid." The action, it said, followed continued UAR acts of aggression in the Suez Canal region.

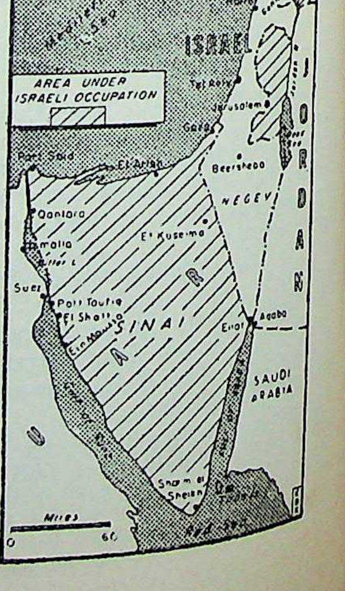
Israeli planes carried out intermittent attacks on Egyptian observation posts along the Suez Canal throughout the morning. Egyptian anti-aircraft fire intercepted the Israeli fighters.

Israeli mortars and rockets unleashed a heavy barrage against Suez and other towns at the southern end of the Suez Canal. Shells also struck Ganasat El-Shatt and east of Ein Moussa. UAR gunners replied with artillery fire.

The "raid" by Israel was the biggest since the one inside Jordan in March, 1968 when Israeli forces hit an Arab commando base at Karameh. The day-long action, also supported by tanks and planes, had then killed more than 120 guerrillas.

On September 8, UAR torpedo boats sank an Israeli torpedo craft in a clash close to Suez town. The Israeli vessel exploded and sank, killing all its crew. One UAR torpedo boat was damaged and one crewman hurt in the incident.

Israeli forces said they destroyed two Egyptian torpedo boats at a Red Sea base.



On September 9, Israeli and Jordanian forces also fought a 25-minute battle with machine-guns and mortars six miles off the Dead Sea.

On September 10, Israeli planes again screamed across the Gulf of Suez and pounded concentrations of military vehicles at Zaafarana and Bu Darag, two guard posts along the Egyptian coast. One Israeli plane was shot down by Egyptian anti-aircraft fire. It was seen crashing into the Gulf near the Ein Al-Sukhna winter resort.

According to an Israeli spokesman, the planes, which pounded the same region devastated in a ten-hour raid by armoured units on September 9, were ordered into the air following further Egyptian cease-fire violations in the Suez Canal area.

Israeli troops also fired with mortars and howitzers on Jordanian forces on September 10 three miles north of the Dead Sea. The Jordanians returned the fire. There were no Jordanian casualties.

In reprisal, UAR air attacks were intensified on September 11 when, it was said in Tel Aviv, 11 UAR war-planes were shot down by the Israelis in the fiercest day of aerial combat since the 1967 West Asia war.

The Egyptian attacks, which Cairo said were in reprisal for repeated Israeli attacks against Egyptian posts, came 48 hours after Israeli forces landed on Egypt's Gulf of Suez coast in the biggest raid since the June, 1967 war.

A Cairo spokesman said that Israeli planes attempted to attack border points in Zaafarana and Ras Shukair in the Gulf of Suez but were intercepted by Egyptian fighters and ground fire and forced flee.

A Tel Aviv spokesman said that two Egyptian planes were downed in an abortive raid against Israeli targets in north-western Sinai. This was followed by a second raid when another five Egyptian planes were shot down.

Egyptian sources said that its fighter-bombers, accompanied by MIG fighters pounded Israeli positions in the central and northern sectors of Sinai, and three Israeli jets were downed in an aerial clash over the Suez Canal.

Dozens of Egyptian war-planes penetrated deeply into Sinai, bombing Israeli positions in heavy reprisal raids less than 36 hours after Israel's hit-and-run operation on the west bank of the Gulf of Suez. They also bombed an Israeli naval base on the east side of the Suez Canal. An Egyptian Army spokesman said the raiders brought down three Israeli planes in three different raids. Two of the Israeli planes, including a **Mirage** jet fighter were downed in dog fights. The third was shot out of the sky over Lake Bardaouli, in the north of the Sinai Peninsula, after Israeli planes attempted to attack Egyptian coast-guard posts in the Ras Zaafarana and Ras Shukeir areas on the Gulf of Suez.

Israeli aircraft raided Jordanian positions with napalm on September 11. The raid was preceded by a five-minute ground clash when the Israelis opened fire with machine-guns on Jordanian forces at Karkar water-crossing just south of the Sheikh Hussein Bridge in the northern Jordan valley.

On September 12, Israeli planes crossed the Gulf of Suez again and attacked UAR military targets on UAR's eastern coast.

It was the fourth straight day of aerial activity on the UAR-Israeli cease-fire line and came 24 hours after the fierce air battle with UAR aircraft in which Israel claimed shooting down 11 Soviet-made planes.

On September 16, Israeli jets bombed two Arab guerrilla bases east of the Jordan River. All the Israeli aircraft returned safely to their bases after the 20-minute raid. But a Jordanian spokesman claimed in Amman that Jordanian anti-aircraft gunners shot down an Israeli plane during the raid.

According to **Cairo Radio,** UAR and Israeli heavy artillery went into action again on September 21 in a 60-mile stretch across the Suez Canal. The exchange lasted for about 3½ hours in the Bitter Lake and Ferdam areas.

UAR artillery also poured heavy fire on Israeli targets east of Ismailia.

A number of Israeli aircraft meanwhile attempted to raid Zaafarana, but were intercepted by UAR anti-aircraft fire and fled eastwards.

Tel Aviv sources said that Israeli planes bombed Egyptian targets in the Suez Canal and Gulf of Suez areas on September 21. All planes returned safely. It was said that the Israeli attack followed a cease-fire violation by Egyptian forces.

This was the first time for several days that an Israeli spokesman had announced an air attack against Egypt.

Asked about Egyptian reports on Israeli air attacks in the past week, he said: "No comment."

Israeli military authorities in the Gaza Strip blew up nine houses on September 26 after their occupants had been arrested on suspicion of guerrilla activities or membership of Arab guerrilla organizations. Two of the houses were in Gaza town and the others in Beit Leihitya to the north.

It was stated in Amman that four Israeli fighter-planes had raided the Al-Mundassah area, in the southern Jordan valley, using rockets and machine-guns.

On September 27, UAR artillery pounded Israeli positions in the southern sector of the Suez Canal in an hour-long exchange of fire. The firing was in the areas of Kabrit, Shat and the southern shores of the Bitter Lake.

Early on September 28, a Cairo spokesman said, air-borne special units of the UAR raided Israeli concentrations and command centres in northern Sinai. He said that the raid was in retaliation for "continuous Israeli aggressions and violations along the Suez Canal front."

This was the first time since the six-day war of June, 1967 that UAR commandos had been lifted by air to take part in such operations.

An Israeli spokesman dismissed as "sheer fantasy" Cairo reports that UAR air-borne troops had attacked Israeli army concentrations in northern Sinai, inflicting heavy casualties.

On September 29, according to Israeli sources, the Israeli Air Force again bombed UAR positions in the Gulf of Suez area. The Israeli planes, which had been carrying but practically daily raids against these positions since the commando raid inside UAR territory earlier in September, returned safely to base. This air action, coming on the heels of two raids on September 28, was motivated by UAR's "ceaseless aggression."

The positions bombed were situated south of the Suez Canal and on the western bank of the Gulf of Suez.

Earlier, on September 4, shortly after a formal complaint to United Nations in New York, Israeli troops made their first border raid into Lebanon and reported killing six guerrillas in a village being used as a forward base.

A Lebanese spokesman claimed that ground fire had destroyed an Israeli plane.

Israeli planes raked Jordanian positions three times on September 4.

On September 5, Israeli jets struck at Arab guerrilla bases in the foothills of Mount Hermon (Lebanon), an area raided earlier in the day by an Israeli commando unit.

Mount Hermon is a snow-capped peak straddling the borders of Israel, Lebanon and Syria.

Five Israeli soldiers were killed in two separate incidents on September 5. Two died in artillery duels on the Suez Canal front and three others in a land-mine blast south of the Dead Sea.

A report from Beirut quoting a military spokesman said that an Israeli plane was hit by Lebanese ground fire and exploded in midair during a one-hour raid on southern Lebanon on September 5.

An Israeli military spokesman denied the Lebanese claim. "All the Israeli planes returned to their base."

On September 6, Israeli Army patrols killed four Arab commandos in two separate clashes.

A Jordanian *military* spokesman said that Jordanian and Israeli forces exchanged *intermittent* mortar *and* machine-gun *fire* across the *River Jordan* on September 7.

Two Israeli soldiers were wounded *by Egyptian* mortar fire at the Suez Canal. They were hit near the Firdan Bridge area north of Lake Timsah.

UN Security Council Condemns Israel For Altering Status Of Jerusalem:

The UN Security Council condemned on September 15 Israel's failure to refrain from taking measures aimed at altering the status of Jerusalem.

But, four Council members abstained on the Arab-inspired resolution, shattering past Security Council unanimity on the Jerusalem issue. The United States, Finland, Paraguay and Colombia refused to back the resolution introduced by Pakistan despite a last-minute amendment.

France asked for a separate vote on the fourth operative paragraph of the resolution, which, in its amended form, called upon Israel scrupulously to observe the provisions of the Geneva Convention and international law governing military occupation and to refrain from causing any hindrance to the discharge of the established functions of the Supreme Muslim Council of Jerusalem, including the co-operation that the Council may desire from countries with predominant population, and from Muslim communities, in relation to its plans for the maintenance and repair of the Islamic holy places in Jerusalem."

The paragraph was adopted.

The Security Council has always been unanimous in its decisions on Jerusalem in the past and had adopted only in July, 1969 a resolution barring Israel from taking steps to alter the status of the holy city.

Rejecting the resolution, the Israeli delegate, Mr. Yosef Tekoah, declared that the future of Jerusalem could not and would not be decided by a Security Council vote.

He also attacked the Soviet Union for its "systematic hostility" towards Israel which, he claimed, made it pointless for Moscow to join in peace-seeking moves.

The Soviet Ambassador, Mr. Jacob A. Malik, denounced the atmosphere of "repression, terror and arbitrariness" in the territories occupied by Israel.

The US Ambassador, Mr. Charles Yost told the Council on the fifth day of the El Aqsa debate that USA saw "no shred of evidence to support the allegations that the act of suspected arson....was other than an individual act, as demented as it was dastardly."

El Aqsa Fire Commission's Findings:

The Commission appointed by the Israeli Government to inquire into the El Aqsa Mosque blaze has found fault with the Muslim authorities who were responsible for the safety of the Mosque and the supervision of visitors to the holy site.

[An Australian tourist, Mr. Michael Denis William Rohen, was arrested earlier in connexion with the blaze. As the case is still **sub judice,** the Commission did not say who committed the crime or the motives for it].

The Chairman of the Commission, Mr. Joel Sussman, a Supreme Court judge, told newsmen that the Commission's findings would not prejudice the accused in any way. "We came to conclusions about what could have been done to avoid the fire."

The Israeli Premier, Mrs. Golda Meir, to whom the Commission's report was presented, hoped that the findings and the open trial of the suspect would "convince Muslims that the incident had been exploited for the purposes of incitement."

The five-member Commission, which included two Israeli Arabs, examined 24 witnesses and 70 exhibits and visited the site of the fire.

No Direct UAR-Israeli Talks:

A UAR Government spokesman denied in Cairo on September 25 that UAR was prepared to sit with Israel for direct talks on the West Asian situation.

The spokesman was referring to reports which, he said, were carried by a US television newscast and one US news agency (names were not given) quoting the UAR Foreign Minister, Mr. Mahmoud Riad, in New York as saying: "Egypt is prepared to sit for direct talks with Israel."

[Mr. Riad had told newsmen in New York on September 24 that he believed in a package settlement of the West Asia problem with Israel's withdrawal from occupied Arab territory as part of the settlement and not a pre-condition. Mr. Riad was asked if he believed in the package settlement plan for West Asia currently being mooted in talks between the Soviet Union and the United States in New York if all the elements were implemented at the same time. He replied: "Yes."]

Mrs. G. Meir On Status Of Jerusalem:

The Israeli Premier, Mrs. Golda Meir, ruled out in New York on September 21 any formula that would make Jerusalem an international city.

She said in a recorded television interview that Israel had accepted the idea of an international city in 1947, but Jordan took the old city by force. "You do not turn the clock back", she declared. "Now the city is re-united, it is open to all religions. We have not sent any Arab out of the old city. We only cleaned it up. It's not a crime."

She added: "We have no desires for territorial expansion. We want peace, we want to build."

She said that there could be no peaceful West Asian settlement as long as the Arab nations refused to accept the existence of Israel. "There cannot be a real peace until they are prepared to see us as part of the area."

She said she was certain that peace would one day come to the Middle East, adding: "I don't know when, but I am convinced that tens of millions of Arabs must have peace."

Mr. A. Eban's Peace Proposals:

The Foreign Minister, Mr. Abba Eban, outlined a seven-point West Asian peace plan to the UN General Assembly in New York on September 19 and proposed that October 24, the annual UN Day, be declared "universal cease-fire day."

It would apply, he said, to Viet-Nam, Nigeria and the Sino-Soviet border, as well as to West Asia.

He accused the Arab States of exploiting the fire at the El Aqsa Mosque in Jerusalem to "whip up a religious hatred worthy of the darkest years of the Middle Ages."

The points in Mr. Eban's proposal included:

(1) Urgent establishment of a cease-fire, without which no diplomatic peace effort could succeed;

(2) Military chiefs of both sides should meet to agree on ways of enforcing it;

(3) All West Asian States should declare themselves in favour of a permanent peace, the ending of their quarrels and the negotiations of detailed agreements on their disputes, including those listed in the November, 1967 Security Council resolution;

(4) Israel was ready to start unconditional negotiations on all proposals;

(5) An international conference on refugees should be held to work out a five-year plan to deal with the refugee problem.

Maj.-Gen. M. Dayan On Talks With Arabs:

The Defence Minister, Maj.-Gen. Moshe Dayan, said in a Press interview on September 12 that Israel was willing for wide-ranging discussions without prior conditions —if the Arabs agreed to direct talks.

He added: "We would discuss *with the Arabs* any issues they may wish to include in the agenda."

Asked if the map he proposed for the strategic boundaries for Israel did not contradict the idea of negotiations without prior conditions, he said the Arabs could include the question of Jerusalem in talks. Israel-Arab views on the holy city might be diametrically opposed, but "nonetheless we may find a way towards an understanding."

But, he warned that Israel could not sit idly pending an Arab agreement to negotiate.

He rejected the idea of self-determination for the Arab population in Israeli-occupied territories because of the avowed Arab intention to liquidate the State of Israel.

Mr. Y. Allon On Situation:

The Deputy Prime Minister, Mr. Yigal Allon, told another newspaper that if King Hussein's **regime** in Jordan collapsed, Israel would not remain passive and could push the cease-fire lines further east, according to its strategic needs.

He said he would oppose any foreign pressure to get Israel to sign the Nuclear Non-Proliferation Treaty, until conditions permitted it.

He added: "Arab leaders are irresponsible and irrational, and are quite capable of dropping atom bombs on Israel, should they possess them, in a moment of passion like after the fire at the El Aqsa Mosque.

"I don't think that the Red Army wants to intervene directly in the Israeli-Arab conflict. But it would be dangerous to be over-optimistic. Soviet presence, whose weight is increasingly felt in our region, forces us to plan in consequence."

Maj.-Gen. M. Dayan On Israeli Casualties:

The Defence Minister, Maj.-Gen. Moshe Dayan, told an election rally on September 25 that Israel's war casualties along the cease-fire lines with Arab States were steadily rising. The toll was 157 during July and August, 1969.

The year following the 1967 West Asia war showed a monthly casualty rate of 50, one-third of them fatal. In the second year, the rate rose to 80 per month. About 80 per cent of the losses were sustained on the borders, and only 20 per cent inside the country. "Half of the casualties now are on the Israel-UAR front."

(**Cairo Radio, Jerusalem Post, The Times**, London, **The New York Times, The Egyptian Gazette**, Cairo, **The Hindu**, Madras and **The Times of India**, Bombay)

[Prev. ref. 9177:ISR:A & B]

B. **Ex-Rafi Members To Remain In Labour Party:** Ex-Rafi members of the Labour Party's Central Committee, in a secret ballot on August 23, approved the agreement reached earlier between their leaders and the heads of the Alignment.

This meant that the supporters of the Defence Minister, Maj-Gen. Moshe Dayan, and Mr. Shimon Peres voted to remain in the Labour Party. The agreement itself concerned the summing-up of policy in the territories and full representation for former Rafi members within the Labour Party.

Gen. Dayan told his ex-Rafi colleagues that "our main struggle concerns the fashioning of a new map of Israel. Either we shall do it, or it will not come about. He was explaining why he believed that this could best be accomplished within the Labour Party. "The next four years will be decisive."

Later, he said that should the Labour Party yield to Mapam pressure against permanent settlement in the territories, "which I do not think will happen," he would not run on the Labour Party list. "But there is a distinction between that and forming a new party. I could not head a party in which I do not believe."

He spoke warmly of the Premier, Mrs. Golda Meir, saying: "A new Government with Golda as Prime Minister and myself as Defence Minister and other colleagues will be able to carry out this programme."

He added that during the time he had served in Mrs. Meir's Cabinet—"and I am not talking of the party level—not only have I no complaints, but I think she is a very good Prime Minister."

(**Jerusalem Post**)

[Prev. ref. 8825:ISR:B]

JAPAN

A. **Bank Rate Raised:** The Bank of Japan raised on August 30 the Bank Rate to 6.25 per cent effective on September 1.

The Bank also announced that commercial banks' reserve ratio would be increased to 1.5 per cent from one per cent for their non-fixed deposits effective from September 3.

The Central Bank switched to a tighter money policy in spite of continuing balance of payments surpluses. It was the first time in the post-War period that the Bank had applied monetary restraint for reasons other than balance of payments considerations.

The discount rate on export bills was raised from the present 4.015 per cent to 4.25 per cent a year. The rate for loans advanced on the security of export bills and that for foreign exchange loans went up to 4.50 per cent (formerly 4.38 per cent) and 4 per cent (formerly 3.65 per cent), respectively.

The margin of rate increase for export financing was limited so that the competitiveness of Japanese industries would not be impaired.

Explaining the measures at a news conference in Tokyo on August 30, the Governor of the Bank of Japan, Mr. Makoto Usami, said the Bank Rate increase was designed to prevent the overheating of the economy and to sustain the current prosperity.

He said that the actual growth rate of the economy was expanding at a faster pace than earlier predicted by the Government and the commodity prices were following a similar course. If unchecked, bank lendings and the Bank of Japan note issue would further increase.

He said that the overseas economic situation was showing signs of a slowdown because of anti-inflationary measures being taken by various countries, although Japan's balance of payments remained basically favourable. The overseas developments would affect Japanese trade in the future.

He said he did not believe that the monetary squeeze would trigger a recession and expressed hope that industrial circles would continue their efforts to increase exports.

Asked about the effect of the Bank Rate increase on restraining commodity prices, he said he did not expect the latest action to bring about a rapid decline in prices and foresaw that considerable time would be required before results were noticeable. He expressed confidence, however, that the new step would have some effect in holding down the price rise within several months.

(The Japan Times, Tokyo)

[Prev. ref. 8253:JAP:A, 8554:JAP:C]

B. Student Leader Arrested: *Mr. Yoshitaka Yamamoto, a leader of student activists, sought by police for months for masterminding campus disturbances, was arrested in the first week of September when he turned up in a Tokyo park to attend a student meeting.*

For months, the 27-year-old student leader, Mr. Yamamoto, had successfully eluded police and made surprise appearances at a number of student meetings.

His arrest came 228 days after he was placed on the wanted list for taking a leading role in the January 18-19 "Todai incident" and a few other major violent campus disputes. In the two-day January incident he had allegedly instructed some 700 students to entrench themselves in the University's Yasuda Auditorium and a wild battle with police ensued. The students had kept the police at bay with Molotov cocktails, rocks and other weapons.

(The Japan Times, Tokyo)

[Prev. ref. 9090:JAP:B]

C. Commerce And Navigation Treaty With Rumania: Japan and Rumania signed in the first week of September a Treaty of Commerce and Navigation which accorded each other preferential treatment with regard to entry and departure procedures, protection assets, tariffs and shipping.

The Treaty was signed by the Foreign Minister, Mr. Kichi Aichi and the visiting Rumanian Foreign Trade Minister, Mr. Cornel Burtica in a brief ceremony at the Foreign Ministry.

Prior to the signing, Mr. Aichi told Mr. Burtica that pending ratification of the pact Romanian products would be subject to lower Japanese tariff rates. The Government would seek Diet approval of the Treaty at its regular session scheduled to open in late December.

The pact was the fifth Commerce and Navigation Treaty signed with an East European nation. Japan had so far concluded similar Treaties with the Soviet Union, Poland, Czechoslovakia and Yugoslavia.

(The Japan Times, Tokyo)

[Prev. ref. 7863:JAP:B]

D. Loans To Thailand And Uganda: The Export-Import Bank and 13 foreign exchange banks recently signed contracts offering yen loans to Uganda and Thailand.

The contract with the Government of Uganda provided for a loan of 222 million yen to be advanced. It was based on official Notes exchanged between the Governments of Japan and Uganda in July, 1966 by which the Japanese side promised economic assistance totalling 1,008 million yen to Uganda.

Yen loans had already been offered to two other East African countries—Tanzania and Kenya.

Another contract, signed between Mr. Tadashi Ishida, President of the Japan Export-Import Bank, and Mr. Obeboon Vanikkul, Thai Ambassador to Japan, provided for a loan of 982 million yen to be used for improvement of coastal waterways in Thailand. This loan was part of the yen loan aggregating 10,800 million yen which Japan had agreed to extend to help carry out its second economic and social development plan in January, 1968.

(Japanese Embassy, New Delhi)

[Prev. ref. 8260:JAP:A]

E. Asian Statistical Institute: An Agreement for the establishment of an Asian Statistical Institute was signed in Tokyo on September 9 by representatives of the Government and the UN Development Programme (UNDP).

This new regional Institute, to be located in Tokyo, is the result of joint efforts of countries in Asia and UNDP. Principal financial contributors to the project are Japan and UNDP.

During its first phase, the Institute will operate on the basis of a 5½-year programme financed jointly by the member-countries of ECAFE and UNDP. The project will be carried out by United Nations in association with the UN Educational, Scientific and Cultural Organization (UNESCO) and the Food and Agriculture Organization (FAO), as well as other Specialized Agencies.

Financing of the Institute, which was approved by the UNDP Governing Council last January, is put at $3,815,600 for the envisaged 5½-year period. Toward this, the UNDP will contribute $2,198,600, while counterpart contributions from Japan and other Governments amount to $1,617,000. By the end of the project period, the Institute is expected to operate without further support from international organizations.

Contributions from other Governments, made in cash or kind, are estimated at some $400,000.

The Institute will:

(a) Offer to an annual enrolment of 30 persons a 10-month course to train statisticians for the Government statistical services;

(b) Organize advanced seminars in Tokyo of six to eight weeks for senior grades of statisticians in the statistical services of the Governments;

(c) Prepare teaching manuals and other material on statistical procedures;

(d) Conduct and organize applied research; and

(e) Assist in establishing and improving statistical training facilities in the countries of the region.

(UN Newsletter)

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BAHRAIN

A Sheikh Isa On Dispute With Iran: Sheikh Isa, the Ruler, in an interview published in **The Times,** London on September 21, spoke of ways of settling his country's dispute with Iran.

For the first time, the Sheikh went on record as declaring that his Government would accept the idea of a United Nations Commission to ascertain the wishes of the people of Bahrain about their future—in particular whether or not they wished to be united with Iran when Britain withdraws from the Gulf in 1971.

[The Shah of Iran had said in New Delhi on January 4 (see page 8764) that if the people of Bahrain did not want to join Iran, it was against Iranian principles to use force to re-annex Bahrain *to Iran.* (Bahrain was Iranian before the British occupied it 70 years ago.) The Shah also said that Iran would accept any expression of the will of the people which was recognized internationally as such. Since then he had spoken of a plebiscite, which would not be acceptable to Bahrain because, among other reasons, of the communal strife between Arabs and the Iranian minorities in Bahrain which a plebiscite would be likely to create.]

Sheikh Isa made it clear that he would accept any reasonable membership for a United Nations Commission—for instance, a commission selected by the Secretary-General, U Thant, to include a representative of the Arab League and of Iran. For his part he would gladly take part in a regional conference on security arrangements in the Gulf after 1971.

If the Iranian Government really intended, therefore, to establish an area of peace and stability in the Gulf in friendly co-operation with its Arab neighbours, the way would seem wide open, but Bahrain and other disputed islands in the Gulf have been so long a bone of contention between Iranians and Arabs, that it could not be assumed yet that progress, if any, would be swift and easy.

On Union Of Arab Emirates:

Sheikh Isa spoke also of his strong desire for agreement with Bahrain's partners in the establishment of a strong and really united Union of Arab Emirates at the next meeting of the Rulers.

Although Bahrain had strong claims to become the capital of the Union, he said he thought that the Union should not be held up by disagreement about the capital, and that the Rulers should now agree upon a temporary capital.

He would not stand out for Bahrain's claims for that. He was, however, strongly opposed to the suggestion, supported at the last meeting by Dubai and Abu Dhabi, that an entirely new capital should be built on the border between them.

(**The Times,** London)

[Prev. ref. 8764:INI:A, 9133:BHR:A]

CAMBODIA

A. Alleged Intrusions By Thailand And USA: The **New China News Agency** reported on September 30 that the Foreign Ministry in Pnom Penh had lodged protests with USA and Thailand against alleged intrusions into Cambodian territory.

The Foreign Ministry, in a protest Note to the US Embassy in Pnom Penh on September 26, alleged that a patrol vessel of the US-South Viet-Nam Navy had intruded into waters nine km south of Kep on August 27. It said three Cambodian fishermen of Lork village, in Kampot province, had been kidnapped.

In two separate Notes to the Thai authorities, the Ministry said that four Cambodians had been killed and another wounded on August 27 by mines laid in Oddar Meanchey province by soldiers coming from Thailand.

The Notes also accused Thai fishing boats of violating Cambodian territorial waters on two occasions.

(**The New York Times** and **The Hindu,** Madras)

[Prev. ref. 9003:CAM:A, 9085:CAM:B]

CEYLON

A. Workers' Strikes—Emergency Declared: The Government proclaimed on September 13 a State of Emergency when State electrical workers struck in protest against a decision to convert the Department of Government Electrical Undertakings into a corporation.

The conversion of the Department into a corporation had been recommended by the World Bank.

The employees claimed that the Government had failed to compensate them for the loss of security and other privileges as a result of the conversion.

On September 13, the House of Representatives abruptly ended its session at 3-35 p.m. when power supply was cut off.

The strike was, however, called off after the Government decided to discuss their complaints and delay the change for a month until November 1.

However, the Emergency continued as petroleum workers also went on strike. Troops were called out to man oil installations and various distribution points.

Along with the declaration of Emergency on September 13, all Army, Navy, Air Force and Police leave were cancelled and volunteer units in the Services were mobilized to deal with the situation.

Minutes after petroleum workers struck work, motorists in the city lined up in front of petrol stations to fill up their tanks. Men, women and children queued up in front of shops to buy kerosene for their daily use. But after the panic of the previous day, consumers of kerosene for domestic purposes felt reassured with armed forces personnel in charge of supplies.

Other strikes in the Fisheries Corporation, the Tyre Corporation and the Petroleum Corporation were still on, and spread to other areas.

(**The Ceylon Daily News,** Colombo and **The Hindu,** Madras)

[Prev. ref. 8255:CEY:A, 8787:CEY:A]

CHINA

A. Mr. A. Kosygin Meets Mr. Chou En-lai: The Prime Minister, Mr. Chou En-lai and his Soviet counterpart, Mr. Alexei Kosygin, held a surprise meeting in Peking on September 11 in an apparent attempt to improve Sino-Soviet relations.

An announcement in Moscow said that Mr. Kosygin had flown to Peking on his way back from President Ho Chi-minh's funeral in Hanoi.

The announcement described the talks, the first top-level Sino-Soviet meeting in 4½ years, as "useful for both sides." It had been arranged "by mutual consent." Mr. Kosygin returned to Moscow the same night.

Observers said the Peking talks were almost certainly agreed on in Hanoi

According to the Japanese communist leader, Mr. Sanzo Nosaka, *who went to Hanoi for Dr. Ho Chi-minh's funeral, the Kosygin-Chou En-lai meeting took place at the suggestion of the Soviet Premier.*

Mr. Nosaka disclosed at a news conference in Tokyo on September 13 that Mr. Kosygin had left Hanoi *without hearing till his departure any word from Peking to his suggestion that his plane be allowed to pass through Peking and a meeting with Mr. Chou En-lai be arranged.* Mr. Kosygin's suggestion had been transmitted to Peking through the good offices of the North Viet-Namese Communist Party.

Mr. Nosaka added: "But when he (Mr. Kosygin) arrived in Calcutta (on his way back to Moscow) he received word of approval from Peking and left immediately for the Chinese capital. At the time of his departure from Calcutta, nobody apparently knew about his immediate destination."

At UN the news of the meeting took the diplomats completely by surprise. Soviet diplomats were so taken aback by the report of the meeting that they appeared more anxious to know what the reactions of others were to the meeting than to explain this sudden development.

In Paris, French officials described the Kosygin-Chou meeting as a "major event" in international affairs.

Officials at the North Viet-Namese delegation to the Paris peace talks said they could only rejoice at the meeting.

Chinese Accusation:

Barely a day after the meeting in Peking between Mr. Kosygin and Mr Chou En-lai, China on September 12 accused the Soviet Union of stepping up collusion with the "Japanese reactionaries to hatch criminal plots against China, against communism and against the people."

An article, carried by the official **New China News Agency,** said that the "Soviet revisionst renegade **clique,** which was at the end of its tether, recently invited Mr. Kichi Aichi, Foreign Minister of the reactionary Sato Government of Japan, to Moscow, and held a series of secret talks with him to hatch the plots." During Mr. Aichi's stay in Moscow, he had held "secret talks" with Mr. Kosygin, "chieftain of Soviet revisionism" and the Foreign Minister, Mr. Andrei Gromyko, on the "questions of China and Asian security."

The **Agency** referred to the acceptance of an invitation to visit Japan next year by President Podgorny and said the Soviet leaders' intensified collusion with their Japanese counterparts "stems from their anti-China, anti-Communist, anti-popular and counter-revolutionary needs."

Normalization Of Relations—Three-Point Programme:

The New York Times on September 26 quoted a despatch from its Asia expert, Mr. Harrison Salisbury, who quoted the American Communist leader, Mr. Gus Hall, as saying that Moscow had offered Peking a three-point programme for relaxing tensions, based on immediate talks to resolve border conflicts, resumption of relations at the Ambassadorial level and trade negotiations.

According to Mr. Hall, the offer was made on September 11 at the meeting between Mr. Kosygin and Mr. Chou En-lai.

Mr. Hall, who is General Secretary of the party, met Mr. Leonid I. Brezhnev, the Soviet party leader, in Moscow on September 16. Mr. Hall was on his way back from Hanoi where he had attended the funeral of President Ho Chi-minh.

The American party chief in his interview said that the Chinese now had the Soviet proposals under consideration. He expressed the opinion, which he said was shared by other leaders of Communist parties, including the Soviet, that the Kosygin-Chou meeting would prove a turning point in the increasingly embittered Soviet-Chinese relationship, leading eventually to its improvement.

Many Communist parties were concerned at signs that unless the Chinese-Soviet quarrel was put on the road toward resolution, it would lead to war. Such a war would be no mere border clash, but a major world conflict.

He said that the specific Soviet proposals were the following:

(1) That critical border issues, specifically those relating to river boundaries where clashes had occurred and ill-defined regions where territorial violations were charged, be placed immediately in the hands of negotiators at the deputy ministerial level.

(2) That the two countries immediately restore their Ambassadors to their respective Embassies in Moscow and Peking.

(3) That the two countries meet to discuss a general resumption of trade and economic relations.

The objective of the Soviet proposals, Mr. Hall said, was to move governmental relations back to normal. The question of party and ideological differences would not be touched and would be left for later resolution.

He said that none of the Communist leaders was under illusions that the quarrel would quickly be ended, but he offered the view that external and internal pressures were moving the Chinese towards a resolution.

The view of the Asian Communists was said to be that China was severely affected by internal difficulties—economic problems, difficulties with the industrial system, actual outbreaks of fighting in some areas and widespread apathy on the part of the general public. Outside pressures, particularly from the Communist world, were also said to be having an effect.

Thus, in their view, conditions were said to be moving China towards negotiation. Both the Kosygin-Chou meeting and the World Conference of Communist Parties held in Moscow in June were said to be factors in moving China in this direction.

(**The Times,** London, **The Hindu,** Madras and **The New York Times**)

[Prev. ref. 9171:CHI:A]

B. Mr. Mao Tse-tung At National Day Parade: The Communist Party Chairman, Mr. Mao Tse-tung and the Defence Minister, Marshal Lin Piao, appeared on the rostrum of the Tien An Men (gate of heavenly peace) in Peking to preside over the ceremonies to celebrate the 20th anniversary of the People's Republic on October 1

Their presence scotched persistent reports that they were either dead or dying, speculation touched off by their absence from public functions since May.

Following Mr. Mao Tse-tung and Marshal Lin on to the balcony of the reviewing area were the Prime Minister, Mr. Chou En-lai, and Politburo members, Mr. Chen Po-ta and Mr. Kang Sheng.

Mr. Mao Tse-tung, "in excellent health and high spirits", waved towards the crowds on the Square. He announced the ceremony open and invited Marshal Lin Piao to make the National Day speech.

In a nine-minute speech, Marshal Lin Piao urged the Chinese people to further strengthen their unity and continue to accept Mr. Mao's instructions to help "struggle to the very end against American imperialism and social-imperialism."

He did not mention two nuclear tests which the US Atomic Energy Commission said the Chinese had detonated in the week before. China's news broadcasts had also not mentioned the blasts.

Claiming that the Cultural Revolution had led to the transformation of the minds of millions thanks to the thoughts of Mr. Mao Tse-tung, he found it necessary to state: "We must rally even more closely around *the Party's* Central Committee... and strengthen the party's centralized and unified leadership." This remark was viewed by China watchers in Hong Kong as an indirect acknowledgement that the Chinese leadership had still not rebuilt the administrative machinery shattered in the Cultural Revolution.

Marshal Lin Piao also emphasized the need to "remain modest and prudent and guard against arrogance and rashness."

His speech was a rather uninspired performance and he seemed to have been overshadowed by Mr. Chou En-lai who had delivered an impressive oration at the National Day reception on September 3.

While covering much the same ground as Marshal Lin Piao, Mr. Chou En-lai's speech was much more vigorous. The **Radio Peking** relay of his performance showed him to be in excellent health if his clarity of diction and strength of voice were anything to go by. Significantly, it was left to him to refer to China's nuclear capability—to which Marshal Lin Piao made no reference in spite of the recent atomic tests in China. Mr. Chou En-lai stated: "We have nuclear weapons solely for defence...and our ultimate aim is to eliminate nuclear weapons."

Marshal Lin Piao's speech was followed by a parade of several hundred thousand perfectly disciplined soldiers, militiamen, Red Guards, workers and peasants. As in previous years, there was no military parade, the only weapons on display being the rifles carried by certain military and militia units. Civilian groups in the 90-minute march carried huge floats representing China's industrial achievements, including the Peking underground railway, the big bridge over the Yangtze River, and constructions of the naval, steel and petro-chemical industries.

The parade was one gigantic splash of colour. Thousands of red flags waved in the breeze and each detachment was clothed in a different colour—blue, green, red and white. At the end of the parade, thousands of red balloons were released and floated slowly into the blue sky. At that moment, more than 500,000 people who had watched the parade ran forward in an immense human wave towards the stand to hail, for more than half-an-hour, Mr. Mao Tse-tung. Their cries and chanted slogans mingled with those of the members of the Government and Communist Party Central Committee standing beside Mr. Mao Tse-tung, who watched silently from the platform.

Nuclear Policy:

In a statement attributed to Ussuri River guards, but considered by Western observers as Government stand, the Chinese authorities on September 18 said that aggression against China from either USA or USSR or both would not only be wiped out but met with world-wide revolutionary war that would "overthrow US imperialism, Soviet revisionism and reactionaries of all countries."

"'We are not afraid," **Hsinhua** said in referring to the possibility of an atomic attack on China.

Incorporated in a report of nation-wide acclaim for the 29 slogans Peking announced for the 20th anniversary celebration of Communist rule on October 1, the statement was viewed by observers as a response to speculation that Russia was mounting a possibly nuclear attack against atomic and other key installations on China.

These observers were specific that the recent meeting of the Soviet Premier, Mr. Alexei Kosygin and the Chinese Prime Minister, Mr. Chou En-lai, had achieved much in diminishing the basic hostility between the two Communist giants over ideological, border and Power rivalries.

Daily articles by **Hsinhua** had attacked the Soviet Union over its domination of Czechoslovakia, domestic economic failures and other matters.

The 29 slogans issued for the 20th anniversary gave prominence to war preparedness and defence. The Soviet Union was not singled out for denunciation and was bracketed, when mentioned, with "US imperialism." However, Peking frequently charged that Russia was in collusion with the United States against China.

The despatch on the enthusiastic reception of the anniversary slogans said that the populace took the slogans as battle orders aimed at defending the country, promoting production and effecting the proletarian revolution.

Hsinhua said the people regarded slogan No. 22, which alluded to the threat of a new war being launched by "imperialism or social-imperialism (the phrase used to designate Russia), especially one in which atom bombs are used as weapons," as "a great mobilization order of far-reaching strategic significance."

It quoted the Ussuri frontier guards and other military groups as declaring their determination, along with the people of the world, "to break the backbone of the aggressors, bury imperialism and revisionism" and build a new world "free of exploitation and oppression."

Accusations Against USA:

China, on September 29, launched a new attack on the United States, accusing it of "painstakingly trying to rig up a ring of military encirclement against China."

American policies towards the communist **regime,** the official **Hsinhua** news agency said, had suffered "a series of dismal defeats over the past 20 years, proving that those who oppose China will come to no good end."

While the long list of complaints against the United States was couched in violent language, Western observers saw in it an attempt to set out in plain terms Chinese grievances against the Americans and by implication what Washington must rectify in order to find a **rapprochement** with the China of Mr. Mao Tse-tung.

China insisted that US intervention in Formosa, Korea and Viet-Nam was "an attempt to menace China militarily and to invade her from these fronts."

The American embargo on trade with China was ridiculed and Peking claimed that "it has only led to a speedier settling of accounts with the forces of economic aggression in China."

Peking appeared to suggest that without the US economic sanctions the Chinese might have adopted less extreme economic policies—as some leading communists had advocated before the Cultural Revolution.

The news agency asserted that American efforts to prevent other nations from recognizing China had failed. American policies of "isolation" and "containment" had served only to increase China's standing with world opinion.

According to observers, two factors lent special significance to the report by the news agency: first, Peking was just beginning to re-define its diplomatic policy after the chaos caused by Red Guards in the Foreign Ministry and the Chinese were showing signs of a new pragmatism in dealing with the outside world.

Secondly, references to alleged *US-Soviet collusion* against China were completely absent, indicating *that China* would like the official *news agency's message* to be taken *more seriously* than just another propaganda tirade.

(The Times, London)

[Prev. ref. 8599:CHI:A]

INDIA

SUMMARY: Gandhi Birth Centenary; Mrs. I. Gandhi's Visit To Laccadives; PL 480 Agreement With USA; Central Zonal Council Meeting; Indian Airlines Fares Raised.

A. Gandhi Birth Centenary Celebrations: The year-long celebrations of Mahatma Gandhi's Birth Centenary, which were initiated on October 2, 1968 (see page 8589), concluded on October 2, 1969.

The concluding phase of the celebrations included schemes in pursuance of ideals dear to Mahatma Gandhi, launching of projects for rural welfare, release of commemoration stamps and coins. People in mass rallies took solidarity pledges and prisoners were released.

The celebrations in New Delhi began with the arrival of the Pakhtoon leader, Khan Abdul Ghaffar Khan on October 1, when he was given a very warm welcome. He said on arrival that he had come to India to remind people about Mahatma Gandhi and his teachings of love and affection.

Broadcasting to the nation on the eve of the Centenary (October 1, 1969), the President, Mr. V. V. Giri said that they were paying homage to him "who more than any single individual in human history was responsible for liberating us from centuries-old bondage." He regretted that "in spite of knowing that the future salvation of mankind lies only in following the principles of Gandhi, we have failed to heed the voice of reason and see light."

The Prime Minister, Mrs. Indira Gandhi, in her broadcast the same evening (October 1, 1969) expressed sorrow at the recent Ahmedabad riots which "have made a mockery" of the Centenary celebrations and emphasized that Gandhi had taught that freedom could have no meaning unless it guaranteed security to every individual regardless of race and creed.

A torch-light procession of young men with 100 flaming torches to mark the hundred years of Gandhi marched from Azad Park to his Samadhi at Rajghat where they took a pledge "to work for peace, non-violence and communal harmony." The Gandhi Darshan—an exhibition on the life and teachings of Gandhi was earlier in the day (October 1) declared open by Mrs. Indira Gandhi.

Mr. V. V. Giri inaugurated the Gandhi Darshan mobile exhibition train at Amritsar. The train would visit cities in Punjab and then move on to other parts of the country. The National Book Trust released two publications—"Gandhi the Writer" by Bhabani Bhattacharya and sponsored by the Ford Foundation and "'Gandhi—Warrior of Non-Violence" by P. D. Tandon and Ronald E. Wolseley. The Andhra Pradesh Legislative Council's homage to Gandhi, inauguration of the Bustee Safai Abhijan (cleaning of slums movement) by the West Bengal Governor, Mr. S. S. Dhawan in Calcutta, opening of the Gandhi Museum by the Tamil Nadu Chief Minister, Mr. M. Karunanidhi at Madras were some of the highlights of celebrations in States.

Celebrations on October 2 in New Delhi began with a prayer meeting at Rajghat in which Mr. V. V. Giri, Mrs. Indira Gandhi, Khan Abdul Ghaffar Khan and others participated. The prayer also marked the end of mass spinning by 1,000 volunteers started four days earlier. Khan Abdul Ghaffar Khan released a set of five books on Gandhi and watered a banyan tree to be planted at the Samadhi. The armed forces then gave a salute to the Father of the Nation. Later, Mr. Giri inaugurated the 20th TB seals sale campaign and released a set of coins and notes to perpetuate the memory of Mahatma Gandhi. He also released commemoration stamps issued by the Postal Department. Commemoration stamps were issued at Thimpu also by the King of Bhutan. Tributes were paid to Gandhiji at a public meeting at the Ramlila Grounds when Khan Abdul Ghaffar Khan announced a three-day fast "to protest against prevailing violence, mutual hatred and communal feelings among the people of India."

The Sabarmati Ashram in Ahmedabad, founded by the Mahatma, celebrated the occasion with a prayer meeting at which a documentary film on Gandhi's message—unity of all communities, eradication of untouchability, self-reliance in the matter of clothes and foodgrains and national education to serve people—entitled "Lord of Humanity" was presented to the Chief Minister, Mr. Hitendra Desai.

At Porbandar, in the house where Gandhi was born, 79 lamps were lit signifying the age at which Gandhi passed away.

At Calcutta, Mr. Jaya Prakash Narayan inaugurated a documentary and a photographic exhibition of Gandhi's association with Tagore, Subhas Bose and other leaders at the Netaji Bhawan. In Madhya Pradesh, the Chief Minister, Mr. Shyama Charan Shukla, unveiled an imposing bronze statue of the Mahatma in Bhopal, while the Governor of UP, Dr. Gopala Reddy, unveiled his life-size portrait at the Council House in Lucknow. The Kerala Legislative Assembly paid homage in a two-hour special session. A portion of Gandhi's ashes received from Delhi were consecrated at "Nnaivu Thottam (Memorial Gardens) in Trivandrum.

Mrs. Indira Gandhi was presented with a Gandhi gold medallion by a delegation of Indians from South Africa. About 25,000 such medallions would be distributed all over the world at a cost of about Rs. 600 each.

Celebrations were also held in various towns in all the States, at Sadaquat Ashram in Bihar, Bhuvaneshwar in Orissa, at Jaipur, Srinagar, Jammu, Panjani, etc, while Bombay celebrated with 1,000 meetings in various parts of the city.

Celebrations Abroad:

The BBC and ITV, the commercial television channels in England, with the famous actor Sir Alec Guinness as narrator at the BBC and Mr. James Cameron, journalist at the ITV, broadcast hour-long programmes on the various aspects of Gandhi's life. The Centenary Committee under Lord Mountbatten organized exhibitions, seminars and memorial services. His statue at Tavistock Square was profusely garlanded. "The world is richer for the life of Gandhi" said Mr. Harold Wilson, Prime Minister of Great Britain, in a message to Mrs. Indira Gandhi.

Moscow and many other provincial capitals in Russia celebrated the occasion, culminating at a meeting held in the Hall of Columns associated with Lenin's memory. The third edition of Gandhiji's autobiography was also released.

The UN Secretary-General, U Thant, in a message said that Gandhi's principles had "universal application and abiding validity." Miss Angie Brooks, President of the UN General Assembly, paid glowing tributes at a session of the Assembly.

Members of the Gandhi Peace League in Japan participated in a memorial service held in Tokyo. Mrs. Vijaylaxmi Pandit participated in the functions at Colombo.

Celebrations were also held in USA, Nepal, Burma, Trinidad and Tobago, Canada, West Germany and several countries in Africa and Latin America.

Most of the radio stations agreed to a proposal of UNESCO to arrange special programmes in homage to Mahatma Gandhi. Pakistan, however, maintained complete silence over these celebrations.

Gandhian Principles:

The principles and the ideals which Mahatma Gandhi preached and practised were brought out at various functions and through visual publicity.

The Mahatma had said: "I have nothing new to teach. Truth and non-violence are as old as the hills." But truth and non-violence were the two principles by which Gandhi lived and laid the foundation for the life of human society. Albert Einstein once said that Gandhi's great contribution lay in his determination to moralize politics. With non-violence in thought, word and deed one should resist evil from any authority. "Resist evil, as you must," he said. He stood resolutely against all wars, and for the solution of conflicts through non-violent means. He called it "non-violent resistance," "civil disobedience" or "passive resistance"—an expression of what he termed "the soul-force" which could conquer physical force—the sword-force. To him, freedom meant the freedom of consciousness, from the burden and care of daily struggle for existence, from which resulted his fight against poverty, untouchability and ignorance. It was this human approach which made him an uncompromising crusader against racialism and colonialism. Service was the keynote of his public life. "Man earned rights," he said, "as he fulfilled his duty to the community." He laid special emphasis on the purity of the means for the achievement of noble ends. To him civilization consisted "not in the multiplication but in the deliberate and voluntary restriction of wants." "An economics that inculcates Mammon worship and enables the strong to amass wealth at the expense of the weak is a false and dismal science," he said. He firmly believed in the democratic way of life, but as he said, "the spirit of democracy cannot be imposed from without; it has to come from within." He laid emphasis on rural life and on the primary producers of food and clothing. His re-construction and revitalization of Hinduism was another of his unique contributions.

Gandhi was an internationalist and a universal man. To quote his classical expression: "I do not want my house to be walled in on all sides and my windows to be stuffed; I want the cultures of all lands to be blown about my house as freely as possible, but I refuse to be blown off my feet by any."

(The Times of India, The Statesman and **The Hindustan Times,** New Delhi)

[Prev. ref. 8584:INI:A]

B. Mrs. **Indira Gandhi's Visit To Laccadives:** The Prime Minister, Mrs. Indira Gandhi on October 9 paid a three-day visit to some of the coral islands of the Union Territory of Laccadive Islands (Laccadive, Minicoy and Amindive group).

The group, which consists of 20 coral islands, lying off the west coast of Kerala, was constituted into a Union Territory in 1956 under an Administrator with headquarters at Karavatti island. The islands she visited were Karavatti (four square miles in area, having a population of 3,000), Amini island (2½ square miles with 5,000 inhabitants), Kalpeni and Androth islands and Minicoy.

[People in these islands speak Malayalam and belong to the Muslim faith. Coconut cultivation is the main industry of the territory. No food crops are grown and the mainland supplies all their food requirements. A large majority of the working population is engaged in coir-spinning, copra making and processing of dry fish. The husk yarn is exchanged for rice at Government godowns. There are 38 educational institutions with about 7,000 students on the rolls. There are no colleges, but scholarships are provided for higher studies on the mainland. There were 92 such students at the universities and 36 for post-matric studies during 1968-69.]

Mrs. Gandhi was the first Prime Minister to visit the islands. The first Central Minister to visit Laccadives was Mr. M. Chandrashekhar, Deputy Minister for Home Affairs, in January, 1964. Later in 1964, Dr. Zakir Husain also paid a visit as Vice-President of India.

Mrs. Gandhi was given an enthusiastic welcome at Karavatti island on October 10. She visited the local secondary school, addressed a public meeting and inspected the fisheries and boat-building establishments. The Government staff presented her with a purse of Rs. 501 for the National Relief Fund. She also visited the offices of the rival Congress factions—one led by Mr. B. M. Syed, MP and the other by Mr. Nala Koya, a former MP.

She visited Amini island the same afternoon when almost all of the 5,000 residents came out to greet her. Local Congressmen gave her a purse of Rs. 201 for the Relief Fund. The inmates of the leprosy colony in the nearby island of Kadamat conveyed thanks to her for sweets and clothes she had sent a day earlier.

She visited Kalpeni and Androth islands on October 12. At Kalpeni she was welcomed by Mrs. Hajaronmotri, a local woman leader. The plea of the people at both the places was that rice should be exchanged with coir at equal weight, kilo for kilo, as in the recent past. Government servants pleaded for liberal advance payment of salaries from May to October, 1969 when the islands were cut off by the Monsoon. Mrs. Gandhi assured them of full Government aid and envisaged development of the island as a tourist centre within the next few years.

Earlier, on October 11, she witnessed an air display from **Deepak,** the oil tanker of the aircraft carrier, **INS Vikrant** which had hosted Mrs. Gandhi and escorted her on this tour. She returned to New Delhi on October 12.

(The Times of India and **The Hindustan Times,** New Delhi)

[Prev. ref. 5632:INI:M]

C. **Mr. H. Desai On Ahmedabad Riots:** Addressing a news conference in Ahmedabad on October 10, the Gujarat Chief Minister, Mr. Hitendra Desai, said that 431 persons were killed in the recent riots in the city according to official figures based mainly on hospital records.

This figure, he added, also included 26 people killed in police firing. Though the toll figures from other parts of the State had not yet been confirmed, the number of victims would not be more than 30. The police had fired 292 rounds on 65 occasions during the first three days from September 19. So far, 867 known anti-social elements had been rounded up and 1,514 persons, including some known goondas, arrested for substantive offences. About 925 people had been arrested for serious offences during the first three days of the riots.

He charged the representatives of various parties with "trying to demoralize the Government and the police" in their efforts to deal with the situation.

The State Government, he said, had taken precautions in regard to the communal situation even before the Central Government had written about it in April, 1969.

Asked whether the Central Government had written about the general communal situation or the communal situation specifically in Gujarat, he said he did not want to enter into any controversy.

(**The Times of India,** Bombay)

[Prev. ref. 9205:INI:A]

D. **PL 480 Agreement With USA:** Three million tonnes of wheat, 100,000 bales of cotton and 95,000 tonnes of vegetable oil will be supplied to India under a new PL 480 Agreement signed with USA in New Delhi on October 13.

The wheat supply is intended to help India reach the target of a buffer stock of five million tonnes of foodgrains. The creation of a reserve of this size is one of the measures planned by the Government to assure price stability and ensure a regular supply of food to all parts of the country despite fluctuations in domestic production.

The Agreement covers commodities worth Rs. 143.63 crores. Shipments of wheat covered by the Agreement are expected to begin arriving in India by the end of this year.

Because of irregular rains in the main oilseed-growing areas in India last year, there was a fall in production. This was reflected in the unusually high prices of edible oils prevailing at present. Shipments of vegetable oil totalling 46,000 tonnes from USA had already been authorized. The cost of this oil will be brought under the terms of the next PL 480 Agreement and India reimbursed for the dollars spent on this transaction. The Agreement made funds available for such reimbursement and for an additional 49,000 tonnes of imports.

Similarly, cotton production was adversely affected by weather conditions and there had been a sizable gap between availability and demand of this important raw material. The cotton to be imported from USA will go some way in meeting this deficit.

India will pay in rupees for two-fifths of the value of the commodities. Eighty-six per cent of these rupees will be loaned by USA to the Government of India to finance development projects. A further 5 per cent will be given as loans to Indian firms with US collaboration. The remaining 9 per cent is reserved for use by the US Government.

Payment for the remaining commodities amounting to three-fifths of the value of the Agreement will be covered by a long-term credit. The US Government has the option to call for repayment of principal and interest on this credit in dollars or other convertible currency. This credit repayable over 40 years will have a 10-year grace period during which no repayment of principal will be required and interest will be 2 per cent per annum. Interest during the remaining 30 years will be 3 per cent.

(**The Statesman,** New Delhi)

[Prev. ref. 8982:INI:H]

E. Trade Protocol With Bulgaria: India and Bulgaria signed in New Delhi on October 13 a Protocol to double the trade between them to Rs. 44 crores in 1970.

The Protocol also provided for both export from India and import from Bulgaria of new items.

The trade turnover last year was worth Rs. 11 crores and the anticipated turnover this year is Rs. 22 crores.

The principal items of imports from Bulgaria will be urea tractors, drugs and pharmaceuticals, special steels and rolled steel products, caprolactum and other industrial raw material, non-ferrous metals and miscellaneous items of machinery.

The major items of India's exports to Bulgaria will be rolled steel products, wire ropes, finished and semi-finished leather, forgings and castings, knitting machines, tipper trucks and other engineering goods, drugs and pharmaceuticals and aluminium foils in addition to traditional commodities.

(**The Hindustan Times,**
New Delhi)

[Prev. ref. 8848:INI:H]

F. Avoidance Of Double Taxation Agreement With UAR: The Instruments of Ratification relating to the Convention between the Governments of India and the United Arab Republic for the avoidance of double taxation on income were exchanged in New Delhi on September 30.

With the completion of this formality, the Convention signed in February came into force in both the countries.

In India, the Convention will be effective from the assessment year 1970-71, but in regard to aircraft profits it applies retrospectively to profits arising from 1961.

The Convention provides that the country in which the income arises will be primarily entitled to tax it, and the country of residence of the recipient of income will exempt it from its tax.

(**The Statesman,** New Delhi)

[Prev. ref. 8137:INI:I, 8461:INI:X]

G. Central Zonal Council Meeting: The Central Zonal Council consisting of Madhya Pradesh and Uttar Pradesh met in Naini Tal on October 11 and agreed to abide by a decision of the Sachdeva Committee over sharing the water and power of the Rihand and Matatila Dams.

In the discussions, Madhya Pradesh advanced her claim for additional power from the Obra hydel station on Rihand river. The Council noted that Madhya Pradesh had not shared the cost of the project and there was already an agreement under which they did not share power from the project.

On the question of extending irrigation from Rangwa Dam and Ken Canal, it was decided that water might be shared between Madhya Pradesh and Uttar Pradesh respectively in the ratio of 19 to 36 even during drought.

On the question of fishery rights in the Matatila and Rihand Dams, it was agreed to continue the present arrangements.

The Council decided that the revenue authorities of the two States should jointly prepare a scheme to rationalize the status of enclaves.

It was also agreed that domiciliary restrictions in admission to technical and professional institutions might be removed on the lines laid down by the National Integration Council.

The Council meeting was held after a lapse of five years.

(**National Herald,** Lucknow)

[Prev. ref. 5341:INI:E]

H. Indian Airlines Fares Raised: Domestic air travel became costlier from November 1, 1969 as a result of the general tariff revision announced by Indian Airlines on October 9.

The fares were increased by eight per cent on the trunk routes and seven per cent on all other routes excepting routes in the eastern sector where the fare were raised by five per cent only.

The trunk routes are Delhi-Bombay, Delhi-Calcutta, Delhi-Madras, Delhi-Bangalore, Bombay-Calcutta and Madras-Calcutta. The eastern sector covers all routes east of Calcutta.

Justifying the decision, Mr. S Mohan Kumaramangalam, Chairman of Indian Airlines, said that even after this increase, IA fares would continue to be among the lowest in the world.

He explained that the decision to enhance fares was inescapable in view of the increase in excise duty on aviation fuel and oil announced in *the Budget* for 1969-70 and other rising costs like aircraft insurance rates, rental to the Civil Aviation Department, acquisition of equipment and labour.

The additional revenue raised as a result of this measure would help cover the increased payment of excise duty and meet increases in other costs, making it possible for Indian Airlines to maintain its profitability at about the same level as was achieved in 1968-69 and thereby enabling it to provide an improved service to air passengers on all routes and generate enough resources to finance the airlines' expansion and development plans.

Foreign tourists who buy domestic air tickets, he added, would continue to pay at old rates. The proposed increase was likely to fetch Rs. 1-1/2 crores of additional revenue in five months.

(**The Times of India,** New Delhi)

[Prev. ref. 7151:INI:A]

I Working Of Bharat Heavy Electricals: Bharat Heavy Electricals (BHEL) registered a gross manufacturing profit of Rs. 6.54 crores for the year 1968-69 as against last year's deficit of Rs. 15,70,000.

After providing for heavy capital charges such as interest on loans, however, the enterprise incurred a loss of Rs. 3.37 crores as against Rs. 5.57 crores last year.

The authorized capital of BHEL was Rs. 65 crores, while investment which stood at Rs. 137.20 crores at the end of March, 1968 increased to Rs. 153 crores this year. The total value of production in its three units was Rs. 35.25 crores this year as against Rs. 20.16 crores in 1967-68.

Commenting on its performance at a news conference in New Delhi on October 4, the BHEL Chairman, Mr O. S. Murthy expressed hope that, with the diversification programmes on hand, the units would maintain the trend of decreasing losses in the future. He pointed out that a sophisticated capital heavy industry like that of the BHEL required a fairly long gestation period partly because of large capital charges. Bearing this in mind, he urged a review of the undertaking capital structure if accumulation of losses was to be avoided in the coming years.

According to Mr. Murthy, the BHEL units at Hardwar, Hyderabad and Tiruchy had adequate orders till 1971-72. As a safeguard beyond this period, the plants had begun to diversify their production. The Hyderabad plan was being geared for manufacture of turbines for industries like chemicals and paper plants. The unit would also be undertaking centrifugal heavy duty compressors for fertilizer plants. The BHEL was now negotiating foreign firms specializing in this area for collaboration.

Likewise, the Tiruchy plant, which was set up primarily for the manufacture of boilers for thermal electric units, had begun to manufacture boilers for other industrial units like chemical, sugar mills and paper.

At Hardwar the BHEL unit, still under construction, would be undertaking the manufacture of electric traction generators and motors for the Railway Board.

Mr. Murthy also disclosed that he had recently visited Russia and Czechoslovakia who had collaborated in the setting up of these plants to negotiate the accelerated transfer of design technology so that India could be free of foreign assistance in this area.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6596:INI:H, 8983:INI:M]

J. Working Of Shipping Corporation: The total earnings of the State-owned Shipping Corporation of India in 1968-69 amounted to Rs. 42.25 crores as against Rs. 35.59 crores in the previous year.

The corresponding figures of profit before depreciation, interest and taxes were Rs. 10.79 crores and Rs. 10.03 crores, respectively. After accounting for depreciation, interest and taxes, the profits in 1968-69 stood at Rs. 4.89 crores as compared with Rs. 5.424 crores in the previous year.

A dividend of Rs. 5 per share declared for the year under review was the same as in 1967-68. The Corporation also appropriated a sum of Rs. 50,00,000 to dividend equalization reserve from this year's profits.

Speaking to newsmen in Bombay, Mr. C. P. Srivastava, Chairman and Managing Director of the Corporation, said that 1768-69 was a fruitful and eventful year for the company. Thirty-five ships of an aggregate tonnage of about 800,000 were under order in Indian and foreign shipyards. The Corporation's present tonnage was over 85,000 and it was expected to reach the million mark in another two or three months. Negotiations were also in progress for the purchase of giant tankers for feeding crude oil to Haldia refinery.

(**The Times of India,** Bombay)

[Prev. ref. 8581:INI:G, 8984:INI:M]

K. Sugar Exports: It was stated in New Delhi on October 14 that sugar exports during 1969 would total 95,000 tonnes—25,400 tonnes to UK and 69,600 tonnes to USA.

From the exports to Britain, exchange worth Rs. 2.18 crores would be earned and from USA Rs. 7.80 crores.

In 1968, export to UK was 25,400 tonnes (Rs. 2.19 crores of exchange) and to USA 73,328 tonnes (Rs. 7.79 crores in exchange). The loss on these exports was borne entirely by the sugar industry. This, according to the Government, was possible because under the new sugar policy of partial decontrol, 40 per cent of the production was released for free sale.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 6353:INI:H]

L. Textile Workers' Strike In West Bengal: An indefinite strike by 50,000 textile workers shut down all 30 textile mills in West Bengal on September 10. It ended on October 8.

The strike sponsored by A-ITUC, INTUC, UTUC and HMS, began when about 20,000 first-shift workers walked out of their factories.

The main demands of the strikers were wage revision, re-opening of closed mills, neutralization of increased cost of living and payment of gratuity and night shift allowance.

Of the 30 mills, 19 were major units and the rest small ones employing fewer than 500 workers. Their total annual production was 216 million yards.

On October 8, an understanding was reached between the Millowners' Association, Bombay, and the Rashtriya Mill Mazdoor Sangh, whereby the former agreed to implement the majority recommendations of the second Wage Board with effect from January 1, 1969.

As a result of this agreement, which was claimed to be production-oriented, the minimum wages of a worker would go up by Rs. 1.50 per month, or Rs. 18 per year. About 2,00,000 workers were expected to be benefitted by it.

The workers would be put on the new wage structure with effect from January, 1970 and will be paid arrears from January 1, 1969. *The additional financial commitment of the mills would be Rs. 75,00,000 per year and it will go up to Rs. 8.75 crores over a period of five years, beginning from 1969*

(**The Times of India,** New Delhi and **The Statesman,** Calcutta)

[Prev. ref. 8912:INI:D, 9135:INI:M]

M. Prohibition Lifted In Andhra: Prohibition in the Andhra area of the State was lifted from November 1, according to a Government **Gazette** notification.

The scrapping of prohibition was expected to fetch about Rs. 15 to Rs. 20 crores to the State exchequer.

Prohibition was enforced in Andhra area when it was part of the composite Madras State in 1946.

It was lifted by extending the Excise Act now in force in Telengana to the rest of Andhra Pradesh.

(**The Hindu,** Madras)

[Prev. ref. 7758:INI:R]

N. Planning And Development Board For Rayalaseema: The Andhra Government on October 6 constituted a Planning and Development Board for Rayalaseema region.

Announcing this at a news conference in Hyderabad, the Chief Minister, Mr. Brahmananda Reddy said that the Assembly Speaker, Mr. B. V. Subba Reddy would be the chairman with Ministers, MPs, MLAs, chairmen of zilla parishads and Collectors of the concerned region as members.

The Board's purpose would be to prepare a long-term plan to eradicate famine from the region, to consider and advise the Government in regard to schemes pertaining to development of Rayalaseema as might be included in the Fourth Plan, to recommend further measures necessary to accelerate the pace of development and to review the region's progress. The Board would meet at least twice a year.

(**The Hindu,** Madras)

[Prev. ref. 8934:INI:F]

O. New Governor Of Mysore: It was announced on October 14 that Mr. Dharma Vira had been appointed Governor of Mysore in the vacancy caused by the resignation of Mr. G. S. Pathak on his election as Vice-President.

Mr. Dharma Vira was, until recently, Governor of West Bengal and had resigned when the United Front formed the Government after the mid-term elections in the State in February, 1969.

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 8850:INI:N, 9157:INI:A]

P. "Barshigri" Peak Climbed: Four members of a six-member women's expedition scaled the 21,760-feet Himalayan peak of **Barshigri** in the Kulu-Lahaul area of Himachal Pradesh on October 5.

Those who conquered the virgin peak were Miss Lakshi Paul, Miss Shila Ghosh, Miss Swapna Mitra and Miss G. Baralaxmi. They were accompanied by two porters—Ring Ting and Khein Naxel.

The climbers established their fourth and final camp at a height of 19,200 feet and started the final assault on the morning of October 5. They planted on the peak the National Flag and also the club flag which had been presented to them by the Chief Minister, Mr. Ajoy Mukherjee and the former Chief Minister, Mr. P. C. Sen respectively.

(**The Statesman,** Calcutta)

[Prev. ref. 9071:INI:U]

JAPAN

A. Japan-South Korea Ministerial Conference: Japan and South Korea agreed in the last week of August in Tokyo to conclude a Tax Treaty to put an end to the long-standing controversy over the problem of Korea's unilaterally-decided tax imposition on Japanese business firm offices in Korea.

The agreement came during individual talks between the Japanese Finance Minister, Mr. Takeo Fukuda and his Korean counterpart, Mr. Yul Hwang Chong at a Ministerial conference.

The agreement was reached along the basic lines laid down by an understanding reached and confirmed in a joint **communique** during the last conference of the series held in Seoul in 1968.

According to Japanese delegation sources, the agreement featured a sort of Japanese concession in that Japan retracted its persistent demand for an "attribution" principle. Japan was said to have given way to Korea's demand for an "over-all" principle applicable to taxation of Japanese business office incomes in Korea.

The Japanese-proposed principle, such as commonly seen with tax treaties between advanced and developing nations as well as the Japan-US Tax Treaty, is to permit such Korean taxation on Japanese business office earnings in Korea only when such earnings are deemed to have derived from transaction attributable to positive actions of such offices.

The Korean-sought over-all principle, like the permit applied to tax treaties among advanced nations, calls for taxation on all earnings of such Japanese business offices in Korea by considering all transactions done through them as definitely attributable to their activities.

Joint Communique:

The two sides ended their Ministerial Conference with the adoption of a joint **communique** pledging closer economic co-operation between them as well as further efforts to ease tension in the Asian and Pacific area.

The Foreign Minister, Mr. Kichi Aichi, in a closing address referred to agreements on a Korean steel mill project and conclusion of the Tax Treaty as two major achievements.

On the South Korean plan to build a State-run steel mill in Pohang, the biggest issue at the conference, Japan basically agreed to help Korea financially and technologically.

The joint **communique** said that Japan had promised to send an investigation team to Korea as a first step towards co-operation in the materialization of the project.

The question of a trade imbalance in favour of Japan, which was another major question taken up at the meeting, was overshadowed by the steel mill issue. It was agreed, however, that Japan would reduce tariffs on three import items, including clams.

In the course of political discussions, a difference of views on the international tension in Asia came to the fore between the two countries. The Korean Foreign Minister, Mr. Kyu Ha Choi told the meeting that his country was deeply concerned over the Okinawan question as the security of his own country would be affected by the outcome of the current Japan-US negotiations on the question.

(The Japan Times, Tokyo)

[Prev. ref. 8569:KRS:B]

KOREA (South)

A. US Help For Rifle Plant: A joint communique issued in Seoul on June 4 announced that South Korea and the United States planned to set up a plant to produce the M-16 rifle, the standard weapon used by USA and her allies in the Viet-Nam war.

The communique was issued by the US Under-Secretary of Defence, Mr. David Packard, and the South Korean Defence Minister, Mr. Chung-Sik Im, after two days of talks on strengthening South Korean's defence against increasing infiltrations from North Korea.

[South Korea wants to arm its troops, guarding most of the 150-mile Demilitarized Zone, with M-16 rifles. At present about 10,000 of them are equipped with M-16s. Most South Korean troops are equipped with old, heavier M-1 rifles.]

(The International Herald Tribune, Paris)

[Prev. ref. 8779:KRS:A]

B. Opposition Party To Be Dissolved: The major opposition New Democratic Party decided on September 5 to dissolve itself in order to expel from Parliament three renegade members supporting a proposed third term for President Park Chung Hee.

The unusual decision to hold an emergency national convention to dissolve the party came at a meeting of top party officials and won consent at a party caucus.

A party spokesman said that before dissolving itself, the party would expel all its lawmakers, except the three renegades.

[Under the Constitution, members of the National Assembly automatically lose their seats if their parties are disbanded, but those expelled from their parties may remain as Independents.]

The three Assembly men in question—Mr. Sung Nak-Hyun, Mr. Cho Heung-Man and Mr. Yun Choo-Hum—had issued statements in August supporting a Government party-sponsored constitutional amendment Bill that would allow President Park to run for a third term in 1971.

(The New York Times)

[Prev. ref. 8441:KRS:A]

LAOS

A. US Military Involvement—Senator's Report: The US Senate majority leader, Mr. Mike Mansfield, said in Washington on September 21 that American involvement in Laos had grown to such an extent that it could lead to another Viet-Nam war.

The Senator, who recently returned from a tour of Asia as President R. Nixon's personal representative, said: "This course is already costing some American lives and hundreds of millions of dollars, with all the signs pointing to an accretion rather than a diminution."

He added that present tendencies in Laos were running directly counter to what should be expected from the President's new Asian doctrine. This was a reference to the Guam declaration at the beginning of Mr. Nixon's recent Asian tour. It had said, in effect, that Asian countries must fight their own battles and could only expect material assistance from the United States (see also page 9115).

Turning to this larger issue, Mr. Mansfield said in a report to the Senate Foreign Relations Committee that the new doctrine clearly called for a contraction of the American presence in South-East Asia. As a first step, the number of Americans in the area, military and civilian, should be frozen immediately.

There was also room for less bilateral American aid, and a rigid and immediate curb on military aid, before treaty commitments and their organizations, especially the South-East Asia Treaty Organization (S-EATO), were re-examined. There must be no deepening of direct military involvement with any Asian Government.

He calculated that there were nearly 800,000 American troops in Viet-Nam, Thailand, Japan, Okinawa, Formosa, the Philippines and Guam, compared with 315,000 in Europe. He said Asian leaders had agreed that the American role in their affairs should be reduced. He found no fear of a Chinese invasion, but there was some uneasiness about American intention. He declared that was understandable because, in spite of the President's declaration, official Americans in the area still expected to play a large military role after Viet-Nam. The Administration must ensure that the new doctrine was properly understood.

Comment:

Meanwhile, the real extent of US military operations in Laos is again being questioned by observers in Vientiane after reports of American participation in recent operations in the Plain of Jars and against the Ho Chi-Minh Trail.

These observers believed that US operations, in part officially admitted and in part conducted secretly, are not being reduced. The bombing of the "Liberated Zone", which had been carried out by American aircraft since 1964, has been widely extended since former President Johnson ordered an end to the bombing of North Viet-Nam.

The United States officially admits supplying the Royal Laotian Army with logistic support, the bulk of which is provided by two "private" airlines—Air America and Air Continental—which make dozens of flights each day. The transport aircraft and helicopters of both companies carry troops, arms, ammunition and food supplies to all theatres of operations.

According to experienced observers, these air operations have a first-rank importance in the conduct of operations in Laos, ferrying assault troops and evacuating casualties and carrying in weapons and ammunition stockpiled in Thailand.

The most closely guarded secret relating to US involvement in Laos is the role of the Special Forces, organized and paid by the Americans and composed of Montagnard tribesmen of Laotian ethnic minorities. These Special Forces are the leaders of operations in the communist zone. Their strength is about 15,000 and reports indicate that they have American and Thai advisers.

Neutral observers estimate that about 1,000 US advisers are in Laos, though official American spokesmen vigorously deny any suggestion that they take part in operations.

Meanwhile, China has closed its Economic and Cultural Mission in Kang Khai and removed the staff just before the town, until now controlled by the Pathet Lao administration, was captured by pro-Government Special Forces. The capture of the town was one of the most recent "successes" of the Special Forces.

The neutralist Prime Minister, Prince Souvanna Phouma, categorically denied on September 23 that there were any American troops fighting in Laos. "Nor are there any Thai troops in Laotian uniform," he stated. He added that his statement could easily be confirmed. "The International Control Commission simply has to open an inquiry."

He added that the aircraft of Air America and Air Continental were staffed entirely by civilians. He admitted that "a few American troops" supervised the operations, but without taking any part in the fighting.

North Viet-Namese Accusation Against Thailand:

North Viet-Nam on September 21 denounced the Thai Government for acting as "United States lackeys" in a "large-scale nibbling attack" on Laos.

According to a commentary in the **People's Army Daily** *in Hanoi, the Thais had helped the Americans in a policy of "kill all, burn all, and destroy all", resulting in the death of hundreds of Laotian civilians.*

The article cited **Reuters** *as its authority for claiming that USA had increased bombing raids on Laos from airfields in Thailand, and quoted* **The New York Times** *as saying that Thai troops had been moved across the frontier wearing Laotian uniforms.*

(**The Times**, London, **The New York Times** and **The Statesman**, Calcutta)

[Prev. ref. 9099:LAO:A]

MALAYSIA

A. Restrictions On Employment Of Aliens: About 2,000 citizens of Singapore were turned back at the causeway entrance into Malaysia on October 1 on their way to work in factories in Johore Bahru. Immigration officers told them that their visit passes had expired.

Another 3,000 passes would expire at the end of October.

These measures arose from the Malaysian Government's decision to create work for an estimated 200,000 unemployed. A parallel exercise covering the whole country involved 140,000 non-citizens being issued with work permits for three months, six months, one year or two years according to occupation.

As virtually all the 100,000 passes issued so far were stamped "not renewable", their effect was to give workers notice. When their permits expired they would be unemployed and unemployable by law. Tens of thousands of people have been left in a hopeless plight. The great majority, although of Indian and Chinese descent, were born in Malaysia and would prove to be Stateless, as a result of the measure.

A Government spokesman said that they could become self-employed but there was no indication so far how the great number of people involved would be able to achieve this. One estimate was that more than half-a-million people, counting wives and children, would be rendered more or less permanently destitute starting from the end of December when the first permits expire.

Bill Passed:

The Employment (Restriction) Bill became law on September 18.

The Bill, requiring non-citizens in 12 categories of employment to obtain work permits, was passed by Parliament and signed by the Yang Di-Pertuan Agong.

All non-citizens—except those in the diplomatic corps, visiting armed forces, under 21, permanently residing in West Malaysia before Merdeka Day or in East Malaysia before Malaysia Day and having red identity cards—were required to register with the Commissioner of Employment.

Under the Bill, a Commissioner of Employment would be appointed to handle the registration and the issue of work permits.

The biggest single group of non-citizens comprised about 160,000 Indians, who held Indian passports. In addition, there were an estimated 30,000 people of Indian origin, described as Stateless. (Most of them had renounced their Indian citizenship in the hope of getting Malaysian citizenship, but had not yet been able to acquire local citizenship).

According to Malaysian official sources, the measure was not intended against Indian, Ceylonese or Pakistani citizens. The Government was assuming powers to deal with any future discrimination against Malaysian citizens in the Republic of Singapore. The source, however, admitted that a few thousand Indians might be affected by the new measure.

Immigration Regulations Tightened:

On July 10, this year Malaysia had tightened its immigration regulations and had called on all non-citizens above 12 years of age to call at the Immigration Office before September 15 to furnish fresh particulars about themselves.

The more rigid immigration regulations were part of the Emergency declared in the country when racial riots broke out on May 13.

The regulations, known as Essential (Modifications of Immigration Laws) Regulations 1969, would remain in force for the duration of the Emergency.

The new Regulation required travellers to leave Malaysia only at authorised points. Under the present Regulations, travellers are only required to enter the country at such points but could leave from any spot.

The new Regulations gave sweeping powers to the Controller of Immigration who could now detain in custody for 30 days any one whom he wanted to deport.

Previously, detention could only be for the period necessary for making travel arrangements and not more than 14 days in any case.

The Regulation also empowered the Controller of Immigration to require non-citizens to keep him informed of their whereabouts in the country or furnish "any information which he deems to be necessary." Failure to supply the required information might mean jail for six months or fine of $1,000 (Malaysian).

As the registration of non-citizens in Malaysia for employment permits closed on August 14, after a fortnight's extension, the Minister for Home Affairs, Dr. Ismail assured that non-citizens would be allowed to hold on to their jobs so long as they did not deprive Malaysian citizens of jobs.

"We are going to be fair to those who have been helping us in the past," he said. Even in giving priority to citizens for jobs, he said that the Government would also recruit non-citizens in industries and in business, when there was shortage of citizens willing or fit to take the jobs.

Meanwhile, the Minister for Commerce and Industry, Mr. Khir Johari, also asked the commercial firms to give jobs on the proportional strength of the communities, which was around 5 Malays, 4 Chinese and 1 Indian for every 10 of the multi-racial Malaysian population.

Under the special privileges for Malays, in the Constitution, Government jobs are restricted to one non-citizen for every four Malays. This was one of the criticisms of the Government by the Chinese and Indians. But after the May 13 riots the Government had come out firmly to warn non-Malays not to question the special rights for the Malays and at the same time had warned the extremists among the Malays not to upset racial harmony by demanding too much for the Malays.

(**The Hindu**, Madras, **The Straits Times**, Kuala Lumpur and **The Times**, London)

[Prev. ref. 8331:MAL:B, 8429:SGP:A]

B. West German Gift: West Germany has gifted equipment for a new marine laboratory and research vessel to Malaysia.

The handing-over was made by the West German Ambassador, Dr. Horst Boehling at a function organized at the Fisheries Research Institute in Penang on September 6.

Speaking on the occasion, the Minister of Agriculture and Co-operatives, Mr. Ghazali Jawi, said that the German gifts were most timely and welcome, as these would enable the Government to undertake effective research.

Since 1965, he said, West Malaysian fisheries had shown remarkable progress. Marine fish landings at the end of 1968 reached an all-time record of 338,508 tons—an increase of 70 per cent over 1965 landings. The increasing adoption of trawlers by fishermen and the extensive use of bigger and powerful boats largely accounted for this spectacular increase in the landings.

He added: "The Malaysian Government is presently planning the establishment of a Fishermen's Training Institute in Penang with the aid of the United Nations Development Programme (Special Fund) and it is hoped that this will be operational some time in 1970." The aim of the Institute was to train fishermen in modern techniques of fishing, use of modern gear and training in navigation to enable them to fish in waters outside their present fishing grounds.

(**The Malaysian High Commission**, New Delhi)

[Prev. ref. 8499:MAL:B]

C. ADB Assistance: The Asian Development Bank (ADB) agreed on September 23 to a Malaysian request for technical assistance in conducting a marketing study of oil palm products.

Palm oil and kernel exports earned for Malaysia in 1968 a total of M$140 million, ranking fourth after rubber, tin and timber.

The study, to be made by a consulting firm, will review the oil palm products marketing arrangements of the Federal Land Development Authority (FLDA), a Government statutory body engaged in land development and settlement as well as in agricultural diversification programmes. It will specifically examine the suitability of present marketing arrangements of the FLDA in meeting future needs. This will involve projection of short and long-term output and exports of palm oil and kernels for Malaysia as well as for FLDA. It will make proposals and prepare detailed plans, including operational procedures, for improving FLDA marketing organization. It will also make recommendations on storage and shipping of oil palm products.

Earlier this year, FLDA received through the Government a $2.8 million loan from ADB for constructing two palm oil mills to process its own products.

FLDA is planning its own bulk handlink and storage facilities, scheduled to be completed by 1971. This will enable the organization to become a shipping party in its own right with representation on the Joint Selling Committee. At present, FLDA palm oil is exported through two shipping parties within the frame-work of the Malayan Palm Oil Pool.

FLDA initiated its first oil palm scheme in 1961. Since then it has fostered 22 oil palm schemes, involving 93,850 acres or one-fourth of the total acreage under the crop. It plans to expand its palm oil production so that by 1975, it will produce 343,000 tons or about 26 per cent of the country's total production estimated at 1.3 million tons. Successful execution of its expansion plans will make the Government agency the largest oil products exporter in Malaysia.

Oil palm cultivation forms a vital part of the Government's programme of crop diversification. In the First Plan (1966-70), oil palm emerged as one of the most promising crops, rating high in the country's development strategy. Production of palm oil and kernels has grown at an average annual rate of 17 per cent and 15 per cent respectively, in the last eight years. Total exports of palm oil and kernels have increased by an average annual rate of 12 per cent since 1966, reaching 281,000 tons and 34,000 tons respectively in 1968.

(**ADB Press Release**)

[Prev. ref. 9025:AOA:F]

NEPAL

A. Trade Pact With Bulgaria: Nepal and Bulgaria signed a Trade and Payments Agreement in Khatmandu on October 8 which envisages a turn-over of Rs. 75,00,000 a year each way "on a well balanced basis."

Mr. Giri Prasad Budhathoki, Defence Minister of Nepal, and Mr. Lazhecar Avramov, the visiting Bulgarian Minister, signed the Agreement.

Nepal will export raw jute and jute goods, rice, maize, oil-seeds, timber, ready-made garments and straw boards to Bulgaria. Bulgaria will give Nepal metal cutting machines, machine tools, tractors and farming machinery, motor cycles and mopeds, steel plates, ammonium nitrate, urea, zinc, etc.

(**The Hindustan Standard**, Calcutta)

[Prev. ref. 7994:NEP:D]

PAKISTAN

A. World Jurists' Criticism Of Military Regime: In its periodic review of human rights in the world, released in London on October 11, the International Commission of Jurists deplored the turn of events in Pakistan.

Notwithstanding the assertions of Gen. Yahya Khan that he and his military advisers would go back to the barracks as soon as conditions returned to normal, the Commission said: "This year's events both in East and West Pakistan make it clear that the goal of parliamentary democracy now appears much further off than it did at the beginning of 1968."

The review recalled how Gen. Ayub Khan in a bloodless **coup** in October, 1958 toppled Pakistan's weak and unstable parliamentary Government and set himself up as a stern and purposeful ruler. With the introduction of the 1962 Constitution, he lifted Martial Law. Nevertheless, other less ostensible but equally effective weapons were used to curb several fundamental rights and freedoms of the people. The President was also able, through the support of the Army and the powers he enjoyed under the new Constitution, to keep politicians in a state of suspense.

[The Commission has its headquarters in Geneva and the editor of the review is Mr. Sean MacBride, former Foreign Minister of Ireland.]

(**The Times**, London)

[Prev. ref. 4533:PAK:A]

B. Controversy Over Elections: According to newspaper reports, a fresh political controversy is evident in the country over Gen. Yahya Khan's indication that the military **regime** would remain in power at least till the middle of 1971.

Mr. Abdul Sattar, the newly-appointed Election Commissioner, said recently that elections on the basis of adult franchise could not be expected before the Spring of 1971.

Indirectly commenting upon the official pronouncements, Air Marshal Asghar Khan said that no one "should remain under any illusion about the determination of the people to come out again on the streets if a popular government was not installed within a year or so."

In an interview to an influential Urdu weekly, **Akhbar-e-Jahan,** he complained that the schedule outlined by the Election Commissioner would delay the elections unnecessarily. He also brushed aside the argument of Gen. Yahya Khan that *no real progress could be made towards a democratic order unless politicians came to a unanimous decision about the type of Constitution they want.* This seemed to him *"an untenable argument." Instead of complaining about the differences of opinion among politicians,* Gen. Yahya Khan should himself come forward with a democratic solution.

Mr. Z. A. Bhutto also warned the Government that unless immediate and tangible steps were taken for promulgation of a democratic Constitution, the people were likely to lose faith in their promises of the new **regime.**

Addressing students in Hyderabad (Sind), Mr. Bhutto said that if circumstances compelled us "we could again take to the methods of agitation and revolution which had toppled a powerful dictator like F.-M. Ayub Khan."

Mian Mumtaz Daultana, leader of the Council Muslim League, directly criticized the Government's decision to delay the elections.

In an interview to **Nawa-e-Waqt,** an Urdu daily of Lahore, Mr. Daultana said he was sure that elections could be held within six to seven months. A delay of nearly two years was not only unnecessary but it could create a feeling of frustration among the people. "Moreover, there was a danger that fissiparous tendencies would in the meanwhile raise their heads and would pose a menace and threat to the very unity and existence of Pakistan."

(The Hindustan Times, New Delhi)

[Prev. ref. 9124:PAK:C]

C. World Bank Team On Inter-Wing Disparities: A World Bank team, which visited Pakistan for six weeks recently studying the extent of industrialization and the feasibility of the draft Fourth Plan, has gone back with the "provisional impression" that even the Government of Pakistan "is very sharply divided" over the issue of economic disparities between the East and West Wings.

The team, headed by Mr. Dragoslav Amramovic and comprising six members, had also in its terms of reference "the validity of the current exchange rate of the Pakistani rupee". It was understood to be of the view that the exchange rate could not be maintained at the present level for long.

The members of the team, in a talk with economists in the country, said that the disparity between the two Wings was causing "a great deal of bitterness and recrimination" even involving the Government. They said that the economic backwardness of East Pakistan "is over*whelming*" and "a great deal of Central initiative is required to pull East Pakistan out of the morass".

The team, which made a minute study of Pakistan's economy, was different from the Commission headed by Mr. Lester Pearson, which a few months earlier visited all the aid-giving and aid-receiving countries to study the impact of the present aid policies and suggest any changes.

The Pearson Commission had also stated that looking at internal problems, the growing disparity between the two Provinces "would continue to be a source of political friction and instability".

The team was also said to have come to the conclusion that Pakistan was at the cross-roads and drastic measures were required to put the economy right before it was too late. One of the shortcomings was the "lack of any solid infra-structure of basic industries."

(The Hindustan Times, New Delhi)

[Prev. ref. 8142:PAK:D, 8149:PAK:E, 8485:PAK:B]

D. Sheikh M. Rehman On Economic Disparities: Addressing a public meeting in Chittagong recently, the President of the Pakistan Awami League, Sheikh Mujibur Rehman, criticised President Yahya Khan's administration for continuing F-M Ayub Khan's policy of discrimination against East Pakistan and said that his six-point plan and demand for representation for the East Wing on population basis were the inevitable reactions to "neglect and hatred" shown towards this Province over the past 22 years.

He pointed out that the **per** capita income in both the Wings was almost the same in 1947, but instead of advancing equally thereafter, "East Pakistan now trails far behind West Pakistan."

Quoting figures, he said that since Independence, a total amount of Rs. 3,200 crores was spent from the Central exchequer, of which East Pakistan's share was a paltry amount of Rs. 303 crores. Whereas in terms of foreign exchange earnings, East Pakistan earned Rs. 2,200 crores during the past 22 years, the expenditure of foreign exchange on this Province was Rs. 1,600 crores.

As against this, he said, West Pakistan earned Rs. 1,700 crores of foreign exchange and spent Rs. 3,700 crores. Furthermore, aid and loans received from abroad were disproportionately utilized to the benefit of West Pakistan. Now that the time for repayment of loans had come, a big chunk of East Pakistan's foreign exchange would be diverted towards repayment for the development made in the other Wing.

He said that capital shyness in East Pakistan was the result of such diversion of funds. Eighty per cent of the country's economy was in the hands of 22 families. All of them were from West Pakistan, but had enormous business undertakings in East Pakistan. While they earned in East Pakistan, they spent their earnings in West Pakistan.

These charges were confirmed by a special World Bank report which also added: "Efforts of the Pakistan Government to increase resources going to East Pakistan have been frustrated by a shortage of skills and the absence of a coherent frame-work in the Provinces to use the resources."

(The Times of India, New Delhi)

[Prev. ref. 9075:PAK:C]

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PAKISTAN

A. Khan Abdul Ghaffar Khan On Pakhtoonistan: Khan Abdul Ghaffar Khan told a news conference in New Delhi on October 7 that his conception of Pakhtoonistan was that of an autonomous unit of Pushto-speaking people within the frame-work of Pakistan.

He said that at no stage had the Pakhtoons wanted to opt out of Pakistan and form an independent State for themselves. "Our demand for an autonomous State within Pakistan is near realization." The Martial Law in Pakistan had caused delay in the creation of Pakhtoonistan. The former President, F-M Ayub Khan had promised to concede the demand. President Yahya Khan had also assured him that he would honour the commitment given by his predecessor.

He disclosed that President Yahya Khan had promised to hold early elections in Pakistan and to restore parliamentary democracy.

. He said that the Pakhtoon people objected to the name North-West Frontier Province, as it indicated as if they were a tribal people. He wanted the name of his State to indicate that it was the home of Pathans.

He, however, made it clear that his demand for Pakhtoonistan included the establishment of parliamentary democracy in Pakistan based on the British model. The Centre should have minimum powers and the constituent units should enjoy maximum autonomy. There should be no interference by the Centre in the functioning of the autonomous States.

He repeatedly made it clear that he had not come to India to seek support for the setting up of Pakhtoonistan. "We have solved our problems through our own sacrifices."

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8335:AFG:A]

B. Revival Of 1956 Constitution –East Wing Controversy: It was reported from Krishnagar on September 21 that a controversy was said to be raging in East Pakistan over a recent suggestion by influential West Pakistan leaders for the revival of the 1956 Constitution.

Recent reports in popular East Pakistan dailies — **Dainik Pakistan, Morning News** and **Paigam**—show that a majority of East Pakistan leaders had condemned the discarded Constitution as undemocratic, denying East Pakistan its right to autonomy. The proposal found support from a few leaders known to be attempting to ingratiate themselves with the present military rulers.

The National Awami Party Requisition Group chief, Mr. Muzaffar Ahmed, is opposed to the Constitution which he has described as thoroughly undemocratic because of its rejection of the universally accepted democratic principle of one man, one vote.

Echoing this view, Maulana A. H. Bhashani, President of the pro-Peking faction of the National Awami Party, declared: "We shall not accept any hoax about the Constitution. We are dead against the restoration of the 1956 Constitution as it does not provide for regional autonomy and dissolution of the One-Unit set-up. It provides no solution for the problems of workers and cultivators in the country."

Supporting Mr. Bhashani, Mr. Bashir Ahmed Khan Baktiar, Vice-President of the Pakistan Labour Confederation, denounced the 1956 Constitution as the "bastion of the capitalists."

Hafiz Habibur Rahman, a former Vice-President of the East Pakistan Awami League, suggested revival of the 1956 Constitution after "vital amendments."

Mr. S. M. Murshed, former Chief Justice of East Pakistan, called for a truce in the verbal warfare. "All parties," he said, "are more or less unanimously in favour of holding elections in the country on the basis of adult franchise." This could be possible under the 1956 Constitution if Article 216 was amended.

Prof Golam Azam, leader of the East Pakistan unit of Jamaat-e-Islam, however, extended unreserved support to the restoration of the 1956 Constitution.

(**The Times of India**, Bombay)

[Prev. ref. 9075:PAK:C]

C. Mr. Z. A. Bhutto's Warning On Future Set-up: The former Foreign Minister and Chairman of the Leftist People's Party of Pakistan, Mr. Z. A. Bhutto, warned at a public meeting in Hyderabad (Sind) on September 21 that "if the present regime of Martial Law wants to see itself in power indefinitely we will give them a fight."

He added: "If trouble arises this time, God knows how it will end and where it will end."

Mr. Bhutto, however, said he did not doubt the intentions of President Yahya Khan's regime to restore democracy in Pakistan and hold elections at an early date, but "we are watching the situation and making a patient appraisal of the conditions as we do not want chaos for the sake of chaos. The situation might get completely out of hand and maybe some outside Powers would exploit such a situation."

He urged the nation to have a Constitution and offered "to co-operate in framing a Constitution which should be acceptable to the people of Pakistan."

(**The Pakistan Times**, Lahore)

[Prev. ref. 9060:PAK:B, 9076:PAK:H]

D. Peasants' Conference: A Left-wing-organized Peasants' Conference ended abruptly in Dacca on October 5, about 24 hours ahead of schedule, when organizers ran out of food for the 15,000 participants.

The Conference, originally set for two days, was also marked by confusion and a near clash between the moderate and extremist factions of Krishak peasants' movement.

Maulana A. H. Bhashani, leader of pro-Peking National Awami Party who opened the meeting in Shahpur, 90 miles north of Dacca, called on the peasant participants to establish socialism free from all kinds of exploitation.

He told the Conference that Pakistan was passing through "a most critical economic crisis" and only true socialism could solve the nation's ills.

He called for the creation of a

people's militia patterned after that of China and offered to send volunteers against "Zionist forces" in West Asia.

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 9076:PAK:H]

E. **West German Credit:** Under an Agreement signed in Rawalpindi on October 4, West Germany will give Pakistan a credit of DM 140 million (about Rs. 25.2 crores) and 30,000 tons of wheat.

The loan will be repayable in 30 years, with an eight-year period of grace. Interest will be at the rate of 2½ per cent.

(**Dawn,** Karachi)

[Prev. ref. 8868:PAK:C]

F. **Remittance Of Incomes From Abroad:** The Government ordered on October 6 the remittance to Pakistan of incomes from investments abroad.

The new Martial Law regulation prohibited the sale of Pakistani assets in foreign countries without prior approval of the State Bank of Pakistan and ordered the repatriation to the country of proceeds of such sale through normal banking channels.

Another Government order provided that no pensioner of Pakistan domicile returning after September 18 and acquiring the citizenship of another country would be paid pension in foreign currency.

(**The Pakistan Times,** Lahore)

G. **New Minister:** President Yahya Khan on October 8 appointed Prof. G. W. Chaudhury from East Pakistan as the tenth member of his Council of Ministers.

He was sworn-in as Communications Minister.

With this addition, there are an equal number of Ministers from East and West Pakistan in the Council.

(**The Pakistan Times,** Lahore)

[Prev. ref. 9141:PAK:A]

SAUDI ARABIA

A. **Budget For 1969-70:** The Government on September 12 announced a 5,966-million-riyal (about $1,400 million) Budget for the fiscal year 1969-70—an increase of the equivalent of about $250 million over last year's Budget.

An announcement over **Jeddah Radio** said that oil remained the major source of income, accounting for about two-thirds of the national revenue.

Thirty per cent of the Budget, or $410 million, was earmarked for the Aviation and Defence Ministry—an increase of $85 million over last year's defence budget.

The **Radio** said that $150 million had been allotted in the new fiscal year for financial aid to UAR and Jordan to help them face "Israeli aggression."

(**The Egyptian Gazette,** Cairo)

[Prev. ref. 8722:SUA:A]

SOUTH YEMEN

A. **Cabinet Personnel:** Following the bloodless transfer of power of June 14 (see page 9081), the powers of the President were vested in a Presidential Council. This was viewed by observers as an attempt at asserting collective leadership.

Mr. Mohammed Aly Haithem became Prime Minister and Mr. Salem Aly Rabyee Chairman of the new five-man Presidential Council.

The following is a list of the Cabinet members with their portfolios:

Prime Minister—Mr. Mohammed Aly Haithem;

Foreign Affairs—Mr. Aly Saleh El Beidh (the post was formerly held by ex-Premier Feisal Abdul Latif);

Defence—Mr. Mohamed Saleh Aulaqy;

Interior—Mr. Mohamed Saleh Yaffie;

Finance and Acting Minister for Labour and Social Welfare—Mr. Mahmud Ushaish.

Culture and Guidance, and Acting Minister of Education—Mr. Abdulbary Kassim;

Economy, Commerce and Planning—Mr. Aly Mubarak Manwara;

Works and Communications—Mr. Ayder Abu Bakr Attas;

Local Government and Acting Minister of Agriculture and Agrarian Reform—Mr. Aly Nasser Hassany;

Justice—Mr. Abdul Khalifa; and

Health—Dr. Abdul Aziz Daly.

Mr. El Beidh and Mr. Khalifa had served as Ministers of Defence and Justice in the first Cabinet formed immediately after Independence, but both were dismissed by ex-President Shaabi in May, 1968. While Defence Minister, Mr. El Beidh had dismissed 28 British military experts from the Air Force.

Mr. Rabyee, the new Chairman of the Presidential Council, is one of South Yemen's liberation heroes. During the freedom struggle he used the code-name "Salesmeen". He has been regarded as the centre of opposition to the policies of former President Shaabi. A former teacher, he was also among the first to join the Popular Guards which took part in the defence of the North Yemeni Republican **regime** in late 1962. Recently he returned from self-exile in the mountains of Dhala where he had gone after a dispute with the former President in May, 1968.

(**The Egyptian Gazette,** Cairo)

[Prev. ref. 9080:SYM:A]

B. **East German Aid:** The Prime Minister, Mr. Mohammed Aly Haithem, said in Aden on July 17 that East Germany would provide extensive aid to South Yemen.

He said it would be mainly for agricultural development plus industrial and economic projects. But, he declined to state the value of the aid promised.

He said he would visit the United Arab Republic, Algeria and Russia to seek economic assistance. The country has a deficit of nearly £10 million ($24 million) amounting to practically half the entire Budget.

He said financial talks with Britain had ceased in May, 1968 because Britain had refused to advance further aid. "But South Yemen will insist that Britain honour payments to former civil servants and other persons numbering a total of 11,000 who have been left without prospects or pensions since Independence."

(**The Egyptian Gazette,** Cairo)

[Prev. ref. 8382:SYM:A]

SYRIA

A. **Trade Pact With India:** Syria and India signed in Damascus on October 9 a Trade Agreement expected to double the trade between them.

Mr. Abdel-Halim Khaddam, Syrian Minister for Economy and Foreign Trade, and Mr. Bali Ram Bhagat, Indian Minister for Foreign Trade, signed the Agreement—the first trade accord between the two countries.

Under it, Syria will import tea, jute and iron from India and export cotton, canned food and industrialized products to India.

(**The Hindu,** Madras)

[Prev. ref. 8742:PAK:I]

THAILAND

A. Accord On Withdrawal Of American Troops: The White House in Washington announced on September 30 that USA would withdraw 6,000 of its 48,000 troops from Thailand in the next nine months.

The announcement said that the two Governments had agreed that "approximately 6,000 US military personnel from the Air Force and the Army are to be withdrawn."

The units "will be withdrawn as expeditiously as possible consistent with operational requirements related to the Viet-Nam conflict." The re-deployment would begin in a few weeks and is to be completed by July 1, 1970.

Most of the Americans in Thailand were airmen engaged in support operations for the Viet-Nam war. With the halt last Autumn of bombing raids against North Viet-Nam, it had become apparent that the number of men could be reduced.

The announcement came as the Senate Foreign Relations Committee began hearings on overseas commitments. An important element in the hearings was the so-called "secret agreement" of 1965 which was reported to have promised US support to the Thai Government in any case of internal or external attack (see page 9190).

President R. Nixon's Visit:

Earlier, on July 28, President R. Nixon flew into Bangkok in the course of his Asian tour and discussed security problems with Thai leaders.

A few hours before the President's arrival, guerrillas attacked an American air base, setting fire to oil explosions which caused some damage and wounded an American guard.

He arrived with a message for the Thai leaders: "The United States will honour its present commitments in South-East Asia, but it will undertake no new obligations, and the present ones will be interpreted in minimal terms."

As he said: "...If domination by the aggressor can destroy the freedom of a nation, too much dependence on a protector can eventually erode its dignity." In short, the new American policy for the area is self-help.

The message followed exactly the line he had been taking throughout his Asian tour, thinly disguised in a learned reference to Thai legend. President Nixon quoted the 13th century Thai King Rama Kamheng: "In the water there are fish; in the fields there is rice... whoever wants to trade in elephants, so trades. Whoever wants to trade in horses, so trades; whoever wants to trade in silver and gold, so trades."

He added: "I believe that the greatest problem before us is not the war in Viet-Nam, but the bringing about of a dynamic set of international relationships which guarantee peace and progress. This cannot be done by the United States alone, it must be a co-operative effort."

Later, a State Department spokesman said in Washington on August 20 that it was agreed during the visit of Mr. Nixon that a reduction of the level of American forces would be discussed at the appropriate time.

A Joint Statement issued by Thai and American officials in Bangkok on August 26 said that USA and Thailand had agreed on a gradual withdrawal of the 48,000 American troops stationed in the country.

The statement said that the talks to arrange for the evacuation of troops would begin in Bangkok on or about September 1. However, the plan for withdrawal of the troops would be considered on the assumption that there would be no significant change in the security situation in South-East Asia.

(**The New York Times** and **The Times**, London)

[Prev. ref. 9126:THI:A, 9190:THI:B]

B. ADB Technical Assistance: The Asian Development Bank (ADB) on September 23 approved a Thai request for technical assistance in planning and implementing a development programme in the north-east and north of the country.

Under the assistance, to be channelled through the Government's Accelerated Rural Development (ARD), ADB will provide a mission of five experts to work as part of a 17-man team in high potential nucleus districts selected for economic development.

The ADB mission will comprise experts in area development planning, soil crop study, water management, marketing and organization of farmers' groups. Besides these five members, the team will include five local counterparts and Thai experts in crop agronomy, irrigation, engineering soil, livestock, rural credit and agricultural economy.

The team is scheduled to begin operations by January, 1970.

Project Details:

The Government formed in 1961 a Committee on development of the north-east to help those living in that area. The accelerated rural development programme was launched in 1964 under the direction of the Committee and the ARD was set up in January, 1966 to take over the expanded scope of work.

Beginning with six provinces in the north-east in 1964, the ARD by 1969 had expanded to a total of 24 of the 71 provinces. Of these 24 provinces, 16 were in the north-east, seven in the north and one in the south. The 24 provinces under ARD have a total population of about 15 million, or about half the population of Thailand.

The ARD programme for the less developed rural areas includes road construction, small irrigation schemes and mobile medical units. Almost 80 per cent of its expenditure in 1968 was for construction work. In that year, ARD expenditure was 225 million baht ($11.2 million), supplemented by US aid in the form of equipment valued at about $9 million.

ARD also implements an agri-business plan aimed at increasing the production and income of farmers by assisting them to form organizations for common benefit. These district-level farmers' organizations serve as centres for supplying credit and production commodities and also for marketing and other facilities.

(ADB Press Release)

C. S-EATO View Of Soviet Proposal For Collective Security: The South-East Asia Treaty Organization (S-EATO) in Bangkok made it known on September 8 that Asian Governments "may well see certain benefits" in the Soviet proposal for a new system of collective security in Asia (see page 9153).

A warning was given, however, that the long-term implications of the Soviet plan should be appraised with the utmost circumspection and rationality.

The statements appeared in the annual report of Lt.-Gen. Jesus Vargas, the Secretary-General of S-EATO.

The report said that the Soviet Union had been taking cautious but far-sighted steps to establish its influence in South-East Asia, particularly in Malaysia and Singapore. Tentative overtures had also been made to the Philippines and Thailand.

Since the Soviet concept of collective security was first mentioned by Mr. L. Brezhnev, the Communist Party leader, in June, Russian actions in Asia had been characterized by the utmost correctness. Great care had been taken to limit these actions to legitimate spheres that brought mutual benefits.

Although the idea had yet to be developed in detail, any proposal that held out the prospect of containing China was likely to appear attractive to countries threatened by "Chinese aggression". The Soviet concept was well timed in the light of the British withdrawal from the area and recent modifications of American policies.

The report said: "The regional Governments may well see in the Soviet concept certain benefits to their interests, especially in the short term, and the Soviet Union may be expected to exploit this by making advantageous offers of economic aid and trading partnerships, as it has successfully done in Malaysia and Singapore, and by encouraging regional economic co-operation."

These apparent adventages, however, had to be seen against Russia's long-term goals, which were, like those of China, the erosion of Western influence and the installation of communist **regimes.** The Soviet plan posed "the very real *danger that in time the regional countries may find themselves subjected to rigid external political domination* which denies them the right to determine even their own domestic policies."

Increased Soviet influence in South Asia would prompt the Chinese to intensify attempts at subversion, and there was always the possibility that the two communist giants would reconcile their differences after the death of Mr. Mao Tse-tung.

On Chinese Threat:

The report re-iterated S-EATO's conviction that China would continue to threaten the peace in South-East Asia regardless of the outcome of the Viet-Nam war. If a Viet-Nam settlement favoured the United States, the Chinese would throw the blame on Soviet-inspired revisionism, thereby vindicating Mr. Mao's theory that armed struggle, no matter how prolonged, was the only sure road to victory.

If a settlement favourable to the Communists emerged—the report did not discount this possibility—the Chinese would use it as justification for their policy of liberation wars.

The report said that if a Viet-Nam settlement excluded an understanding on Laos, Russia could be expected to work for a political settlement of the Laos conflict while China would continue to advocate armed resistance. The communists appeared to control almost half of Laos and political activity on both sides had been characterized by preparations for the post-Viet-Nam period.

The Neo Lao Haksat—which is to the Pathet Lao what the National Liberation Front is to the Viet-Cong —was attempting to build "patriotic neutralist forces" as a political grouping entitled to a share of seats in any new coalition government. In spite of attempts by Britain, as co-Chairman of the Geneva Conference, to secure the withdrawal of North Viet-Namese troops aiding Pathet Lao forces, the Soviet Union, the other co-Chairman, had not responded. "There seems little prospect that Moscow will heed the appeal, at least until a settlement of the Viet-Nam war is in sight."

In Thailand the communists were expected to combine their guerrilla actions with attempts to subvert members of the new Parliament, particularly Independents.

The situation in Malaysia needed constant attention. The Communist Party was strongly rooted towards Peking and there was no evidence for the suggestion that the Soviet Union had exploited its capability to influence Leftist elements. However, if the Malaysian guerrillas continued to be frustrated in the jungle, they might deem it worth while to give greater emphasis to the parliamentary struggle.

(The Times, London)

[Prev. ref. 9153:AOA:A]

VIET-NAM (DR)

A. **Dr. Ho Chi-minh Dead:** The President, Dr. Ho Chi-minh, a legend in his life-time and one of the greatest Communist leaders in Asia, died of a heart attack on September 4 in Hanoi.

The body of President Ho lay in state in Hanoi's Ba Dinh Hall.

A **communique** issued in the name of the Central Committee of the Viet-Nam Workers' (Communist) Party, the Standing Committee of the National Assembly and the Council of Ministers said: "(We) feel boundless grief in informing the entire party and the entire Viet-Namese people that Comrade Ho Chi-minh, President of the Central Committee of the Viet-Nam Workers' Party and President of the Democratic Republic of Viet-Nam passed away at 9.47 a.m., September 3, 1969, after a very sudden serious heart attack at the age of 79.

"Everybody has done his best, determined to cure the President at all costs. But due to his advanced age and serious illness, President Ho Chi-minh has departed from us."

Death came to the frail, wispy bearded leader just one day after the 24th anniversary of his country's independence from France. North Viet-Nam immediately went into seven days of official mourning.

A broadcast named a special 26-man Committee to take charge of the funeral, headed by Mr. Le Duan.

The Vice-President, Mr. Ton Duc Thang, was named **interim** Chief of State.

World leaders mourned the passing of the leader who played a great role in shaping Asian history.

Cease-fire Proposed By Viet-Cong:

The Viet-Cong proposed a three-day cease-fire in South Viet-Nam as a mark of respect to Dr. Ho Chi-minh's memory. But South Viet-Nam on September 7 rejected the cease-fire. As the decision was announced in a Government statement, military spokesmen in Saigon reported a new series of at least 27 rocket and mortar attacks by the Viet-Cong across the country.

The Saigon announcement, which came only 12 hours before the cease-fire was due to begin, dashed hopes that the truce might lead to a broader respite and an easing of the deadlock at the Paris peace talks. An American military spokesman noted that in the past the United States had followed Saigon's lead in observing truces and he had no information to suggest that the attitude would be different this time.

However, on September 8, in what appeared to be a change of course, the United States and South Viet-Namese military commands announced that the level of allied military activity during the three-day Viet-Cong cease-fire would be governed by the level of enemy activity.

The announcement seemed to move well away from Saigon's earlier outright rejection of the enemy proposal for a cease-fire.

Several violations of the truce were reported, including the mining of a train between Da Nang and Hue, the mining of a bus south of Da Nang, and scattered ambushes. The train explosion damaged the locomotive, derailed two cars and wounded a militiaman. It was also hit with small-arms fire.

American field commanders reported they were under orders to avoid contact and to refrain from supporting South Viet-Namese units seeking action. Further, American Air Force Officers said no B-52 strikes had been launched after the enemy cease-fire began.

Unity Appeal:

In announcing the death of President Ho Chi-minh, the Government appealed to the nation to close ranks.

It called on the Communist Party, the armed forces and the people to translate sorrow into revolutionary acts, strengthen solidarity and channel all our will and forces into the great cause of fighting and defeating the United States aggressors, liberating the south of our country and successfully building socialism in the north".

In this way, the statement went on, "the lofty aspiration cherished by President Ho Chi-minh" will be achieved.

Chinese Reaction:

The Chinese Prime Minister, Mr. Chou En-lai flew to Hanoi on September 4 as the head of China's delegation for the funeral.

Peking described Dr. Ho as "an outstanding proletarian revolutionary.... (who) dedicated his whole life to the national liberation struggle of Viet-Nam and the cause of communism".

It emphasized the role Dr. Ho played in "fighting the most ferocious United States imperialism.... and confronting it with imminent destruction".

The Chinese **communique** went on to state: "President Ho Chi-minh unfortunately passed away at the crucial moment when the Viet-Namese people's war... is about to win a final victory."

It described Dr. Ho's death as "a great loss for the cause of the anti-United States struggle of the Chinese people and all peoples of the world."

It also referred to the need for the Viet-Namese to persevere "in maintaining independence and keeping the initiative in their own hands and persevering in self-reliance".

However, Mr. Chou En-lai did not wait for the funeral. He returned on September 4 itself. On September 8 the Chinese news agency announced that the Vice-Premier, Mr. Li Hsien-nien would attend the funeral of Dr. Ho Chi-minh. With him went Mr. Li Teh-sheng an alternate member of the Politburo. Joining them in Hanoi as a member of the Chinese delegation was Mr. Wang Yu-ping, Peking's Ambassador to North Viet-Nam.

To emphasize respect for Dr. Ho, **Hsinhua** reported that the Government in Peking had ordered Chinese flags to be flown at half-mast at all Government institutions, factories, mines, people's communes, educational institutions, vessels and ports, by units of the armed forces and numerous other establishments.

Besides, Mr. Li, foreign dignitaries who attended the funeral included Prince Norodom Sihanouk of Cambodia, the Indian Foreign Minister, Mr. Dinesh Singh, Deputy Premiers of Czechoslovakia, Poland, Hungary and Bulgaria and numerous other foreign Communist Party representatives.

President Ho's Will:

President Ho Chi-minh's final message to his people, read at his funeral on September 9, was a call to the party to heal the rift in the world communist movement and a firm assurance that North and South Viet-Nam would be re-united after the defeat of USA.

President Ho said in his Will that he had suffered from the "dissensions" in the world communist movement, but he added: "I firmly believe that the brother countries and parties will unite again."

Mr. Le Duan, the party's First Secretary, read out President Ho's Will at a simple, brief ceremony in Hanoi attended by 250,000 mourners ranging from world leaders to ordinary Viet-Namese. The former included the Soviet Prime Minister, Mr. Kosygin and Mr. Li Hsien-nien, a Chinese Deputy Prime Minister.

The ceremony reached its climax with a mass oath-taking pledging the North Viet-Namese to complete the mission undertaken by their dead leader.

Mr. Le Duan, in his funeral oration, echoed the themes of national independence, determination to defeat the "American aggressors", unification of party unity, proletarian internationalism and the need for international communist unity on the basis of Marxism-Leninism.

The throng of mourners then swore the following five oaths:

"(1) To brandish, without weakening, the flag of national independence, be determined to fight and defeat the American aggressors, liberate the south, defend the north and re-unify the country to realize the hopes it has cherished.

"(2) To continue with all force the struggle to accomplish the noble ideals of socialism and communism that the President followed in the struggle of the workers and people to build the country and the happiness of compatriots.

"(3) To maintain party unity.

"(4) To maintain the international orientation of the party, contribute to the unity of socialist peoples and support all revolutionary forces of other peoples struggling for independence, peace, democracy and socialism.

'"(5) To follow President Ho's examples in work and revolutionary quality, without fearing difficulties or sacrifices."

The following are excerpts from his Will:

"In anticipation of the day when I have to join Karl Marx, V. I. Lenin and the venerable past, I leave this Will so that the compatriots throughout the country, the comrades in the Party and friends abroad can have no surprise.

"First, I will speak about the Party. Thanks to the unity and dedication to the party, the people and the Fatherland, since the coming into existence of our Party, we have united, organized and led the people in an ardent struggle from victory to victory.

"Since unity is the most valuable tradition of our Party and our people and is the first essential, this must be preserved as the first consideration. All comrades at all levels have to guard the unity and unanimity of the Party as we guard the apples of our own eyes. Within the Party, there must be broad democracy. Serious criticism and self-criticism regularly should be the best way to consolidate and develop the unity in the Party. There must be comradely love in the Party.

"Our Party is in power and must remain united solidly. Every Party member and cadre has to impregnate the revolutionary virtues i.e., true industry, thrift, honesty and integrity, public-mindedness and selflessness. We have to protect the purity of our Party and be worthy of the leaders and loyal servants of the people.

'"Our youths are very active. They are ready to fulfil the duties and to march forward fearless of difficulties and hardships. The Party must care for them and inculcate in them the revolutionary virtues and to train them into the worthy heirs of the coming society. They must be prepared for vanguard tasks. The ceaseless education of the revolutionary generation for the time to come is very important and necessary.

"Our labouring people in the mountainous areas as well as in the delta suffered hardships. They experienced colonial and feudal exploitation and suppression and many years of war. But our people are very heroic, industrious, vigorous and active. Since the coming into existence of the Party, our people have always followed the Party and have been loyal to the Party. The Party should endeavour by economic and educational development to improve ceaselessly the living standard of the people.

"The resistance against US aggression may be prolonged. Our people still have to make sacrifices. In any case we must be determined to defeat the US aggression to win the final victory. Our country, our mountains, and our men will ever remain.

"After defeating the US aggression, we will rebuild our country ten times stronger than now. Despite the hardships lying ahead, our people will certainly win complete victory. The US imperialists will have to pull out. Our Fatherland will be unified and our compatriots in the North and South will be re-united.

"Our country will have the great honour that even though it is a small Power it has vigorously defeated the strong imperialists—the French and the Americans—and made worthy contribution to the national liberation movement the world over.

"About the international communist movement: Having dedicated my whole life to the cause of revolution, I'm very proud of the *strength and growth of the international communist and working class movement, but I'm aggrieved to see the differences that are dividing the fraternal socialist parties.* I wish that our Party will actively contribute to the restoration of unity among the fraternal socialist parties, on the basis of Marxism-Leninism and proletarian internationalism. I am sure that fraternal countries and parties will be united again."

Life Sketch:

President Ho Chi-minh was born on May 19, 1890 in Kim-Lien village, in a poor peasant scholar's family. His name in childhood was Nguyen Tat Thauh. In 1911, with the aspiration of studying revolutionary ideals, he went abroad and worked as a labourer, actively participated in the revolutionary movements of the people in many countries and at the same time ceaselessly carried on the struggle for independence and freedom of his own people.

He was the first Viet-Namese who supported the Great October Russian Revolution and accepted Marxism-Leninism as the path for liberating the working class. In 1920, he participated in the founding of the French Communist Party at the Toures Congress and from a genuine patriot he became an outstanding communist fighter. He said that for saving and liberating the nation there was no way but the way of proletarian revolution. To link up the resistance movement of the Viet-Namese people with the international working class movement and the liberation movement all over the world, he participated in the founding of the League of Peoples of the French Colonies in 1921 and started publishing a journal, **Le Paria** in Paris in 1922.

In 1923 he was elected to the Central Committee of the International Association of Peasants. In 1924, he attended the Fifth Congress of the Communist International and was appointed a standing member of the Eastern Department and was put in direct charge of the Southern Department. In 1925, he participated in the founding of the League of Oppressed Asian Peoples and published two books entitled **French Colonialism on Trial** in 1925 and **The Road of the Revolution** in 1927.

Preparatory to the founding of the Viet-Namese Communist Party, he set up the "Viet-Nam Revolutionary Youth League" in Canton (China) in 1925 and organized Communist groups which comprised the active members of the League. He trained communist cadres to lead the League and step up the dissemination of Marxist-Leninist ideology in the country. The first communist organizations came into existence in Viet-Nam in 1929.

On February 3, 1930, at the behest of the Central Committee of the Communist International, he convened a Unification Conference to merge the communist organizations of Viet-Nam into a single Party called the Viet-Nam Communist Party, which was later changed into Indo-Chinese Communist Party and now it is called the Viet-Nam Workers' Party. At the Unification Conference he pointed out clearly that the revolutionary line in Viet-Nam must be first to carry out the national and democratic revolution and then the socialist revolution.

From 1930 to 1940, he ceaselessly worked for the liberation of the Viet-Namese people. He came back to Viet-Nam in 1941 and convened the eighth conference of the Cen-
Pnom Penh, Cambodia.

tral Committee of the Indo-Chinese Communist Party, at which the "line of national salvation" was adopted and decisions for setting up the League for the Independence of Viet-Nam, i.e. the Viet-Minh Front, organizing the Liberation Armed Forces, strengthening of the revolutionary rear base, leading the people in the uprising and preparing for the general uprising to regain power throughout the country were made.

After the successful carrying out of the August, 1945 Revolution, he declared the foundation of the Democratic Republic of Viet-Nam on September 2, 1945. The first National Assembly elected him President in 1946. But after the August Revolution, the French returned to Viet-Nam. He appealed to the people to carry out a resistance war which culminated in the great Dien-Bien-Phu victory and withdrawal of the French from Viet-Nam. He had been the President of the country since then.

(**The Times**, London and **Consulate-General of Viet-Nam (DR)**, New Delhi)

[Prev. ref. 6002:VND:A]

B. French Offer Of Assistance: President Georges Pompidou of France in a cable to the Vice-President, Mr. Ton Duc Thang, has offered to help re-build Viet-Nam "at a convenient time and within the means at its disposal."

The contents of the cable were released in Hanoi on September 13.

President Pompidou pointed out that the North Viet-Namese Delegate-General in Paris had assured the French Government that the death of Dr. Ho Chi-minh "would in no way change the relations between the two countries." "I want to take this opportunity to assure you of continuity in French policy towards North Viet-Nam. It is in this spirit that the French Delegate-General at Hanoi has told the North Viet-Namese Government of France's wish to participate at a convenient time and within the means at its disposal in rebuilding the country."

He said France "would spare no effort to use its influence to seek peace and so put an end to the cruel suffering of the Viet-Namese people."

He pointed out that France believed a Viet-Nam peace formula could be worked out on the lines suggested by Gen. de Gaulle at Pnom Penh, Cambodia.

[On September 1, 1966 Gen. de Gaulle had called for a Treaty guaranteeing the neutrality of States formed from the former French territory of Indo-China so that each country was sovereign and completely free to govern its own affairs.]

(**The Statesman**, Calcutta)

[Prev. ref. 7323:CAM:A]

VIET-NAM (RVN)

A. Further US Troop Withdrawal: President Richard Nixon of USA announced in Washington on September 16 that his country would withdraw an additional 35,000 troops from South Viet-Nam.

The new withdrawal would be made before December 15, reducing American troop strength in South Viet-Nam to 484,000. With this, USA would have withdrawn a total 65,000 troops.

Mr. Nixon coupled his announcement with a review of what he termed the Administration's "major efforts to bring an end to the war." Repeating his past proposals for a peaceful settlement, he added: "The time for meaningful negotiations has, therefore, arrived. I realise that it is difficult to communicate across the gulf of five years of war. But the time has come to end this war."

The US decision came after weeks of debate within the Administration, some of it conducted in public to the embarrassment of Mr. Nixon, over whether or not USA should continue to withdraw troops unilaterally. The confusion had reached a peak during the previous three weeks when widely differing interpretations were put on Mr. Nixon's decision, first to postpone further withdrawals and second, to halt heavy bomber raids on Viet-Cong positions in South Viet-Nam for 36 hours and then resuming them again, without quite explaining what the gesture was intended to achieve.

The troop withdrawal announcement did not succeed in removing all these doubts and confusion. For instance, it was not explained what criteria the Government had employed to determine that the time was ripe for another troop cut announcement. USA had all along said that the pace of US withdrawals would be conditioned by three factors. They were: progress at the Paris peace talks, a drop in enemy military activity and, thirdly, South Viet-Nam's ability to take over the war. Evidently, the first two things had not happened and it was seriously doubted that Saigon's military capability had significantly improved.

(**The New York Times** and **The Hindu**, Madras)

[Prev. ref. 9191:RVN:D]

ASIA OUTSIDE ASIA

A UN General Assembly Begins 24th Session: The UN General Assembly began its 24th regular session on September 16 when it elected Miss Angie E. Brooks of Liberia as its President.

In her inaugural address as President, Miss Brooks spoke of the "heartrending turbulence" in the world since the Assembly last met, and added that, like everyone else, she had noticed "the gradual decline of United Nations in the eyes of public opinion." Nevertheless, "the need for the world body is ever on the increase," and it had "all the potential to become the only saving device that the world can invent."

Yet all too often, delegations viewed world affairs "somewhat parochially." Some delegations did not exert enough pressure on their Governments to evince from them a sense of internationalism. She argued against a weighted vote in United Nations, stating that "there is no alternative to the principle that each State must have an independent vote". She said it was the duty of the small countries to establish a counter-balance against the improper use of the veto power.

She added that youth had in many cases not been sufficiently articulate or positive in its demands and at times was unnecessarily and thoughtlessly violent, asking for "what it did not want."

After electing its other officers, the Assembly heard an address by the President of the United States, Mr Richard Nixon, and began its general debate. The General Committee recommended a total of 120 items for inclusion in the agenda for the three-month session, and proposed December 16 as the target date for its close.

President R. Nixon's Address:

President Richard Nixon of the United States, addressing the General Assembly on September 18, urged all member-States "to use your best diplomatic efforts to persuade Hanoi to move seriously into negotiations which could end" the war in Viet-Nam.

With regard to West Asia, he said that peace could not be achieved through substantial alterations in the map of the region; it must rest on "a binding, irrevocable commitment by the parties to live together in peace." Failing a settlement, an agreement limiting the shipment of arms to West Asia might help to stabilize the situation.

He defined American policy on various issues thus:

Viet-Nam: "The lack of progress at the Paris peace talks stems largely from the lack of willingness of the other side to talk on any terms other than those that would predetermine the result and deny the right of self-determination to the people of South Viet-Nam." "In the name of peace, I urge all of you here—representing 126 nations—to use your best diplomatic efforts to persuade Hanoi to move seriously into the negotiations which could end this war."

West Asia: "We seek a settlement based on respect for the sovereign right of each nation to exist within secure and recognized boundaries. We are convinced that peace cannot be achieved on the basis of substantial alterations in the map of the Middle East. We are equally convinced that peace cannot be achieved on the basis of anything less than a binding, irrevocable commitment by the parties to live together in peace."

East-West Talks: "The date we proposed for the opening of (Strategic Arms Limitation) talks has passed for lack of response (from Moscow). We remain ready to enter negotiations. "Though the issues are complex, we are prepared to deal with them seriously, concretely and purposefully—and to make a determined effort not only to limit the build-up of strategic arms, but to reverse it.. We intend to conduct our negotiations with the Soviet Union soberly and seriously, neither encumbered by prejudice nor blinded by sentimentality, seeking to reach agreements rather than to make propaganda. Whenever the leaders of Communist China choose to abandon their self-imposed isolation, we are ready to talk with them in the same frank and serious spirit."

International Co-operation: "There are five areas in particular of great concern to us all... securing the safety of international air travel, encouraging of voluntary service (for human advancement), fostering economic development and population control, protecting our threatened environment, exploring the frontiers of space."

US Aims: "...To encourage the creative forms of nationalism, to join as partners where our partnership is appropriate, and where it is wanted, but not to let a US presence substitute for independent national effort or infringe on national dignity and pride. Our most fundamental national interest is in maintaining that structure of international stability on which peace depends, and which makes orderly progress possible."

Election Of Office-bearers:

As Vice-Presidents, the General Assembly on September 17 elected the heads of delegations of the following 17 countries: Barbados, Chile, Formosa, Denmark, France, Ghana, Indonesia, Jordan, Luxembourg, Malawi, Mongolia (Outer), Nigeria, Panama, the Soviet Union, the United Kingdom, the United States and Yugoslavia.

The following were elected as Chairmen of Main Committees:

First Committee (Political and Security): Mr. Agha Shahi (Pakistan);

Special Political Committee: Mr. Eugenius Kulaga (Poland);

Second Committee (Economic and Financial): Mr. Costa P. Caranicas (Greece);

Third Committee (Social, Humanitarian and Cultural): Mrs. Abdallahi Ould Daddah Turkia (Mauretania);

Fourth Committee: (Trust and Non-Self-Governing Territories): Mr. Theodore Idzumbuir (Democratic Republic of the Congo);

Fifth Committee (Administrative and Budgetary): Mr. David Silveira da Mota, Jr. (Brazil);

Sixth Committee (Legal): Mr. Gonzalo Alcizar (Ecuador).

The President and Vice-Presidents of the Assembly, together with the Chairmen of the Main Committees, constitute the General Committee.

U Thant's Report:

The UN Secretary-General, U Thant, in the introduction to his annual report on the work of United Nations, said on September 19 that *he could report "very little progress in the world* at large towards the goals of the United Nations Charter—international peace and security, friendly relations among nations and international co-operation."

"Furthermore", he added, "I have a strong feeling that time is running out. This is true as much in regard to international peace and security, including disarmament, as it is true for economic and social development."

In other sections, he stated that the deterioration of the international situation had continued. In West Asia, the level of conflict had never been higher since June, 1967. Failing some early progress towards a settlement, there was a very real danger that the region would recede steadily into a new dark age of violence, disruption and destruction. It seemed clear enough that none of the parties to the conflict, no matter what temporary military or other superiority it might enjoy at any given time, could hope in the long run to emerge as the victor. It was imperative and urgent that some way be found to reverse the present trend towards catastrophe.

On the conflict in Nigeria, he continued to feel that the right course was to leave the political aspects of the problem to the Organization of African Unity (OAU) for solution. He hoped that initiatives taken at the recent Assembly of Heads of State and Government of OAU in Addis Ababa would be followed by wide and conciliatory action by both parties so that a just and fair settlement of the issues in this tragic war might be achieved by peaceful means.

Concerning Viet-Nam, he could see signs of some improvement. He believed that talks between the parties involved, such as those going on in Paris, were essential for working out a solution. He hoped that there might soon be a further de-escalation of the fighting and that the people might be enabled to resolve their differences by themselves without outside interference. Every opening that might present itself should be seized and fullest advantage derived from it in moving towards de-escalation and a final settlement.

The situation in Cyprus, he said, had improved steadily in terms of a return to normal conditions of civilian life; basic issues, however, still awaited solution.

He also made the following points:

Disarmament: Progress was indeed very limited. The world seemed threatened by an uncontrollable escalation of the nuclear arms race. He appealed to the Soviet Union and USA to begin immediately their bilateral talks to limit and reduce offensive and defensive strategic nuclear weapons. The world, now at a critical crossroads, could pursue the arms race at a terrible price to security and progress, or it could move towards the goal of general and complete disarmament. He proposed that the Assembly dedicate the 1970s as a Disarmament Decade and that it establish a programme and time-table for dealing with all aspects of the problem. He also hoped the Assembly at this session might reach some consensus on the future approach to the question of chemical and bacteriological (biological) weapons.

Colonialism and apartheid: These chronic problems had persisted in Southern Africa in defiance of United Nations. There was no evidence of political will to solve the problems on the part of those in a position to do so. The same was true of the difficult questions of Rhodesia and Namibia.

Organization's financial situation: This remained precarious. It might be anticipated that the situation would deteriorate and again become critical before the end of 1969.

Economic and social development: As the Assembly considered questions related to objectives and strategies for the Second Development Decade, it would be encouraging if there were a greater degree of optimism and enthusiasm consistent with the signal successes that had attended the efforts of the Organization, particularly as a multi-national instrument for promoting economic and social development.

Human environment: He hoped that international action in this field might result in improvement in those countries where pollution had already become a serious problem, and that developing countries might benefit from the experience of the advanced countries.

(UN Newsletter)

[Prev. ref. 8660:AOA:B]

B. **International Colloquium On Space Law:** The United States and USSR agreed at an International Colloquium on Space Law in Mar del Plata (Argentina) on October 10 that the Moon belonged to no one nation and exploitation of the Moon's mineral matter should be for the benefit of all humanity.

The Colloquium was part of the 20th Congress of the International Astronautical Federation which ended after five days of debates.

World scientists including the Soviet scientist, Dr. Leonid Sedov, creator of the Sputnik, and United States' **Apollo** Director, Dr. George Muller, participated in them.

The 500 delegates at the Congress presented 136 papers concerning space propulsion, flight paths, space physiology, energy production aboard orbiting stations, the uses of satellites and other subjects. They also discussed problems of rescuing astronauts in case of space accidents.

The Federation's Governing Council decided to hold the next Congress in 1970 in West Germany.

(The New York Times and **The Times,** London)

[Prev. ref. 9107:AOA:A, 9156:AOA:E]

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CHINA

A. Talks With Soviet Union To Be Held: **Peking Radio** reported on October 7 that China and the Soviet Union had decided to begin negotiations on their border dispute.

The talks would be held at Deputy Foreign Minister level in Peking. The **Radio** did not say when.

It said that China was ready to seek "a global solution to the Sino-Soviet frontier question" on the basis of existing Treaties and, meanwhile, proposed that "the border **status quo** be maintained and armed conflicts avoided." The existing Treaties were "'unequal and imposed on China by imperialist Tsarist Russia in the second half of the 19th century and the beginning of the 20th century when power belonged to neither the Russian nor Chinese people."

It blamed Russia for the increase of tension along the 4,500-mile border and emphasized that they had "never demanded the return of the territory Tsarist Russia had annexed by means of the unequal Treaties". The Soviet Government had persisted "in occupying still more Chinese territory" in violation of the Treaties.

[China had proposed at the meeting on September 11 between Mr. Alexei Kosygin, the Soviet Prime Minister, and Mr. Chou En-lai, the Chinese Prime Minister, that "the armed forces of the Chinese and Soviet sides disengage by withdrawing from, or refraining from entering, all the disputed areas along the Sino-Soviet border." This would allow negotiations to be held "free from any threats." The Chinese had also proposed "provisional measures for reaching an agreement on maintaining the **status quo** of the border" and had repeated these in letters to the Soviet Government on September 18 and again in October.]

Negotiations would not reconcile the ideological differences between the Soviet Union and China, **Peking Radio** added, but this should not prevent the two countries maintaining normal relations on the basis of the five points for peaceful co-existence announced by Mr. Chou En-lai. There was no reason whatsoever for China and the Soviet Union to fight a war over the boundary question.

The Sino-Soviet border question was one of great concern to the Chinese and Soviet peoples and to the peoples of the world. The Chinese Government hoped that the Soviet Government "will truly take a serious and responsible attitude towards it."

The **Radio** repeated Mr. Chou En-lai's declaration that China was developing nuclear weapons only to break the nuclear monopoly of other countries, but warned that "should a handful of war maniacs dare to raid China's strategic sites in defiance of world condemnation, that will be war, that will be aggression."

The agreement to the talks was the climax of a series of Sino-Soviet exchanges since the two border clashes on Chen Pao (Damansky in Russian) Island on the Ussuri River in March.

Comment:

According to Mr. Richard Harris, commentator on Chinese affairs in **The Times** (London), the agreement between China and Russia to begin negotiations on their border dispute must be the fruit of Mr. Kosygin's flying call in September in Peking, though there were good reasons to think that the Chinese were now genuinely anxious to have such talks.

Attempts to reduce tension had been multiplying recently. The latest was a report from Alma Ata (Kazakhstan) quoting reliable local sources that both Russian and Chinese border troops had withdrawn 75 km back at certain points of the frontier, a story also reported by the Yugoslav agency. The Sinkiang frontier was the one most open to dispute as it had never been fully demarcated, whereas the north-eastern frontier was at least limited in any dispute to the main course of the Amur and Ussuri Rivers and the islands within them.

It would have been noted in Moscow that the Chinese had made no mention on their National Day of the two nuclear explosions carried out in the previous ten days, both of which were obviously timed to mark the 20th anniversary under arrangements no doubt made many months before.

The talks now agreed to would be a resumption of those temporarily adjourned in 1964. The matter did not become acute again until the outbursts of fighting over Chen Pao island in the Ussuri River in March. In the second of these on March 14 and 15, the Russians had mounted an all-out attack from which the Chinese suffered heavy casualties. The Chinese burst of protest at this was very quickly damped down.

However, Chinese anger at the belligerent tone and behaviour of the Russians was expressed in the curt dismissal of Mr. Kosygin when he came on the telephone from Moscow on March 21 and was told that ordinary diplomatic channels would do very well. On March 29, the Russians issued a statement denouncing Chinese claims but suggesting that the adjourned talks should be resumed.

This proposal was referred to by Marshal Lin Piao, the Chinese Defence Minister, in giving his report to the Ninth Party Congress two weeks later—the Russian Note may indeed have been timed to influence that gathering.

Not until May 24 did the Chinese clarify their position by answering the Russian Note with a memorandum of their own. The memorandum disputed the Russian claim that the Treaties of 1858 and 1860 had ended the matter, insisting that the navigation agreement for the Amur and Ussuri Rivers was not a substitute for a newly negotiated Frontier Treaty. The Chinese argued that the two Treaties must be confirmed as unequal ones but that they would be willing to take them as the basis for determining the alignment of the border.

Since then there had been the meeting in June of the Navigation Commission which seemed to have survived some bitter arguments and angry behaviour, finally reaching agreement.

Trade Talks:

Western news agencies quoting authoritative sources in Moscow said on October 2 that Soviet and Chinese representatives had opened trade talks as the first tangible result of Mr. Kosygin's recent visit to Peking.

The talks were being conducted on the Chinese side by the Embassy's Commercial Counsellor, who had returned to Moscow in June after an absence of more than two years.

The sources did not say when the talks began or who was taking part in them. There was also no suggestion that they were at a high level. They followed similar unconfirmed reports that frontier troops of the two countries had actually begun withdrawing from forward positions at disputed positions along their Far Eastern and Central Asian borders.

Another feature of the reported Kosygin plan was a stop in polemics in the Chinese and Soviet Press. While the Chinese had not stopped polemics, the Soviet Press had stopped virtually all attacks on Peking.

Trade between China and the Soviet Union had fallen over the past few years as friction between them increased. While the total trade volume reached almost $2,000 million in 1960, according to available figures it had dropped to $107 million in 1967.

(**The Times,** London and **The New York Times**)

[Prev. ref. 9171:CHI:A]

B. **Nuclear Test Explosions: Peking Radio** reported on October 4 that China had successfully carried out two nuclear explosions in September, 1969.

It said that the one on September 23 was China's first successful underground nuclear test and the other, on September 29, was a hydrogen bomb test in the atmosphere.

In Washington, US Atomic Energy Commission officials said on October 5 that they had no evidence that China's nuclear tests were a leap forward in Chinese nuclear technology. It estimated the H-bomb explosion to have been equal to three million tons of TNT—the same as previous tests in 1967 and 1968.

(**The Statesman,** Calcutta)

[Prev. ref. 8751:CHI:A]

C. **Chinese Rule In Tibet—Dalai Lama's View:** In his first political speech from a public platform, the Dalai Lama said in New Delhi on October 11 that whether or not a free and independent Tibet should be a Communist State was a matter for the people of Tibet to decide. He would not stand in the way.

He was confident that no Tibetan, not even the younger generation educated under the Chinese Communists, wanted Chinese rule over their country. Tibet, he said, had been independent all through its history. Under Chinese rule, the Tibetan race was facing a threat of extinction.

Addressing a meeting organized by the School of International Studies, he recalled that in ancient times Tibet had cultural relations with China. There was some exchange in the fields of science and medicine. Tibetans had adopted certain customs from her neighbours—philosophy and religion from India, the culinary art from China and clothing styles from Mongolia.

Tibetan history made it clear that Tibet was always independent. Before the advent of Buddhism, Tibetans had taken arms against others. The Tibetan Army had gone into China and records bore evidence that the Chinese Emperor had to flee before the advancing forces. Later, when China became strong, they came into Tibet, but no records showed that Tibet was ever a part of China.

He said: "We are not against China for their socialist system or ideology. It is possible that in future Tibet will be a Communist country—if the majority of the people want it. But the important point is that Tibetans want to be ruled by their own people, free from foreign domination."

Affirming his faith in the power of truth, he said Tibetans would continue to struggle for the desired end. Efforts were today concentrated on keeping alive the just cause of Tibetan independence. "We might have to change when the situation alters, but I cannot say yet in what direction."

He admitted that it was difficult to realise any immediate benefit from raising the Tibetan issue at United Nations, but in the past, three resolutions had been passed and that was some progress for the cause of a small nation trying to free itself.

Later, he invited questions from the audience. Asked what concrete steps the Tibetans were taking to free their country from Chinese domination, he said that the achievement of Tibetan independence depended on various changing factors, but presently "we are concentrating on keeping the Tibetan question alive." The strategy to achieve the goal of independence might have to be changed and, therefore, could not be outlined at present.

(**The Hindustan Times** and **The Times of India,** New Delhi)

[Prev. ref. 7723:INI:O, 8848:INI:I]

INDIA

SUMMARY: Mr. N. Ceausescu's Visit; Khan Abdul Ghaffar Khan's Visit; Role Of SDR Scheme; Four Central Ministers Relieved; President's Rule In Manipur; National Integration Committee Meeting; Bangla Congress On Lawlessness In West Bengal; Telengana Regional Development Committee; Mr. Morarji Desai's Fast.

A. **President N. Ceausescu's Visit:** The President of Rumania, Mr. Nicolae Ceausescu, arrived in New Delhi on October 13 on a six-day State visit. He was accompanied by the Rumanian Premier, Mr G. Maurer.

In response to the welcome accorded to him by the President of India, Mr. V. V. Giri, at the airport, he explained the two-fold purpose of his visit—to further develop the existing friendly relations between the two countries and to accentuate co-operation between them in the peaceful settlement of international issues.

Discussions were held on October 14 between leaders of the two countries to strengthen bilateral relations. The consensus which emerged from these discussions was that besides increasing the volume of trade, there should be more co-operation in the industrial field, production should be diversified to meet each other's requirements and joint ventures might be set up in third countries.

Agreements Signed:

Two Agreements were signed the same day (October 14)—one for the purchase by India of 10 bulk carriers at a cost of about Rs. 24 crores for the Shipping Corporation of India and other shipping companies, for transport of iron-ore, fertilizer, sulphur etc, and the other a Trade Protocol for 1970 with a turn-over of about Rs. 40 crores, under which Rumania would take Indian iron-ore, wire ropes, machine tools and steel pipes, while India would import petroleum products, oil prospecting and drilling equipment, tractors and ships.

On the political level, the Prime Minister, Mrs. I. Gandhi, held talks with Mr. Ceausescu when the two reviewed the international situation. Earlier, on October 13, at a dinner given in his honour, President Ceausescu expressed the hope that the Paris talks would lead to cessation of hostilities in Viet-Nam.

Replying to a civic reception accorded to him at the Red Fort

On October 14, Mr. Ceausescu said that the expansion of economic and cultural co-operation between India and his country was a "vivid illustration" of the principles of peaceful co-existence.

Mrs. Indira Gandhi had an unscheduled meeting with Mr. Ceausescu on October 15 when they had detailed discussions on political issues. They specifically discussed European security, China, USSR and Viet-Nam. Mrs. Gandhi was stated to have maintained that India would favourably respond to any serious attempt by China to restore normal relations between the two countries.

President Ceausescu, with his entourage, flew to Bangalore on October 16 on a two-day visit to Mysore.

[Mr. Ceausescu was the third Rumanian President to visit India. The then President, Mr. Chivu Stoica had visited India in 1958 (see page 1948) and his successor, Mr. G. Gheorghiu-Dej in 1962 (page 4887). Mr. Gheorghiu-Dej was accompanied, among others, by the Prime Minister, Mr. Maurer and the Foreign Minister, Mr. Corneliu Manescu. These two dignitaries were again visiting India in the 24-member delegation accompanying President Ceausescu in the same capacities. In 1965, Dr. S. Radhakrishnan, then President of India, had paid a return visit to Rumania on October 7. Rumania and India have an unbroken record of mutual co-operation in economic and cultural fields. Cultural Agreements were signed between the two countries in 1957 and 1963 and Trade Agreements and Pacts in 1959, 1961, 1964, 1966 and 1968. The 1961 Agreement was for a six-year term (see page 3733). In 1960, Rumania purchased 100,000 tons of Indian iron-ore. In July this year it agreed to purchase 23.4 million tons of iron-ore during the next 11 years (see page 9119). In 1968, Rumania contracted for the supply of 10 coastal coal-carriers to India during the Fourth Plan period, and to provide technical 'know-how' and machinery for oil refining, and petro-chemical plants, including a fertilizer plant.]

Joint Communique:

A joint **communique** issued in New Delhi on October 19 at the conclusion of Mr. Ceausescu's visit reflected the Agreements and consensus arrived at during the discussions at various levels.

It said in part: "Our co-operation in the economic sphere in third countries held good prospects." (Ceylon and Iran were understood to be among these third countries in view, though they were not specified in the **communique**). It emphasized identical or close views on international problems. On West Asia, it said that a settlement should be in accordance with the UN resolution of November, 1967 ensuring the withdrawal of Israeli forces from the occupied territories. "The banning of nuclear weapons, the liquidation of existing stock-piles, the elimination of military blocs, the dismantling of foreign military bases and withdrawal of foreign troops from the territories of other countries would constitute important steps for security and peace throughout the world."

Mr. Ceausescu left Bombay for Rumania on October 19.

(**The Times of India, The Statesman** and **The Hindustan Times,** New Delhi)

[Prev. ref. 6766:INI:D, 9119:INI:J]

B. **Khan Abdul Ghaffar Khan's Visit:** Khan Abdul Ghaffar Khan, popularly known as "Badshah Khan" or the "Frontier Gandhi", arrived in New Delhi on October 1 to participate in the Gandhi Birth Centenary celebrations in response to an invitation from the Government of India and to receive the Nehru Award for International Understanding.

He was given a rousing reception at the airport. Welcoming him, the Prime Minister, Mrs. I. Gandhi, referred to the recent communal riots in Gujarat and hoped that his presence would help the country come out of darkness and restore communar harmony. Badshah Khan, in reply, regretted that the Indian people had forgotten Mahatma Gandhi and his teachings of love and affection for all.

The Pakistan Government and **Radio** blacked out his visit. The leader of the West Pakistan Awami League, Khan Lundhkar, demanded an official probe into the circumstances in which Badshah Khan was issued a passport, while the **Daily News** of Karachi said that his visit to India served India's interest against that of Pakistan and Indian Muslims.

On October 2, Mahatma Gandhi's birthday, Khan Abdul Ghaffar Khan placed a wreath on Gandhi's **samadhi** at Rajghat, watered a banyan sapling planted there, and released a set of five books in Hindi on Gandhi. In the evening, he attended a public meeting at Ramlila Grounds where he announced that he would observe a three-day fast from October 3 to protest against communal violence, mutual hatred and communal feelings (not specifically against the incidents at Ahmedabad, as he later explained). "My only purpose in visiting India is to offer my services to establish unity, love and affection among the peoples of various communities."

The President, Mr. V. V. Giri, at a reception given to the Khan at Rashtrapati Bhavan on October 3, described him as the "living spirit of Gandhi," and said that the fast which had "electrified the nation" was "a reminder to us of our responsibilities." People all over India observed token fasts as an expression of sympathy. The fast was broken on October 6.

Addressing newsmen on October 7, he said he had come to find ways and means to dispel the sorrow and the darkness that "our country faces today." In reply to questions, he said: "I find that there are very few people here who are concerned with the welfare of the nation. A handful of people have grown rich. This was not the objective of Gandhi or of the Congress". He also explained his idea of an autonomous Pakhtoonistan within Pakistan.

Again, on October 10, addressing a 50,000-strong congregation at Jama Masjid, he enjoined on Muslims to understand properly and strengthen the "spirit of nationhood". "If you understand and follow the true concept of nationhood, your religion will be automatically secure."

The same evening (October 10), he addressed a huge audience of Muslims at the Maulana Azad Park when he regretted that even after 22 years of Independence, the people of India could not get even two square meals a day. He castigated the Indian Government for going about with a beggar's bowl to America or Japan "for a few tons of grain or to Russia for some financial assistance. It cannot be called dignified or self-respecting."

Speaking at a reception given to him by the Press Club of India on October 11, he referred to the Kashmir problem and said: "If promises have been made, they should be honoured." Later, he elucidated that he was stating a fundamental principle, good for all at all times. He had also come to the conclusion that injustice had been done to the people of Telengana in Andhra Pradesh, who have been demanding a separate State.

On October 13, he met a delegation of Bharatiya Jana Sangh Members of Parliament who assured him that the Jana Sangh would wholeheartedly work for the goals set by him for peace, prosperity and patriotism in the country.

On October 14, he met a group of constructive workers representing Gandhi Smarak Nidhi, Gandhi Peace Foundation, Gandhi Centenary and Harijan Sewak Sangh. He also met a group of Congress Members of Parliament when he criticized the Press and radio for distorted presentation of news on political and economic issues in the country.

At a reception given by the Jamaat-ul-Ulema-i-Hind, he advised the Muslims to dissolve their religious and regional differences and unite to make the country strong and prosperous. "You have never learnt to know who your real well-wisher is. Even during the freedom struggle, you found leaders in those who were stooges of the British."

He left for Ahmedabad on October 16 for an on-the-spot study of the riot-affected areas.

(**The Statesman** and **The Hindustan Times,** New Delhi)

[Prev. ref. 9037:AFG:A, 9205:INI:A]

C. US Loan: *An Agreement was signed in New Delhi on October 16 for a $20 million (Rs. 15 crores) US loan to finance import of machinery for private sector industrial projects.*

The loan can be used either to start new projects or to expand or modernize existing private sector plants, import spare parts and finance engineering and other consultancy services. When used for new projects, it will be utilized only to import from USA machinery and parts not manufactured in the country.

The loan is repayable in 40 years including a grace period of 10 years. Interest will be 2 per cent a year during the grace period and 3 per cent thereafter.

(**The Statesman,** New Delhi)

[Prev. ref. 8741:INI:B, 8901:INI:P]

D. Nationalization Of Foreign Oil Companies Ruled Out: The Minister of State for Petroleum and Chemicals, Mr. D. R. Chavan, said in Gorakhpur on October 15 that foreign oil companies in the country would not be nationalized immediately.

He said that the demand for petroleum was rapidly increasing and according to him the total demand for it by the end of 1975 would be 34 million tonnes. Efforts were being made to improve the country's oil resources and for this off-shore drilling in the Bay of Cambay region was proposed to be started in 1970. India was now importing about 10 million tonnes of crude oil worth about Rs. 100 crores a year.

He said that 671 wells had been drilled by the Oil and Natural Gas Commission at a cost of Rs. 110 crores. Of these, 270 wells had gone dry. However, drilling for oil would continue.

Replying to a question, he said that the country would achieve self-sufficiency in fertilizer by the end of the Fourth Five-Year Plan in 1973-74. At the end of the Fourth Plan, the total fertilizer output in the country would be about 6.4 million tonnes.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 9113:INI:C, 9162:INI:J]

E. Role Of SDR Scheme: India's quota in the Special Drawing Rights (SDR) scheme approved recently at the International Monetary Fund meeting was officially stated in New Delhi to be as much as $750 million and arises out of her normal quota of the same amount, which is the fifth largest in the world.

The SDR will enable India to make this amount part of her external reserves and increase her trade without worrying about liquidity difficulties.

The scheme has been introduced for a three-year period initially, and the Indian Government has decided to draw $130 million in the first year and $105 million in each of the second and third years.

What facilitates matters for India is the fact that there is no burden involved in the special drawings made as and when necessary, the 1.5 per cent charge made on the drawings to obtain convertible currencies are also payable in SDRs.

A Bill now pending before Parliament proposes to make possible India's membership in the scheme. Its object is to empower the Reserve Bank to act on behalf of the Government of India to receive, acquire, hold, transact and operate in SDRs and perform all acts incidental to it.

The scheme has been welcomed by India and other developing countries because, by helping to increase international liquidity, it will enable the advanced countries to raise their assistance. In addition, the scheme does not involve contributions in gold and currencies to IMF; simple entries are made in a special account kept by IMF and allocated to each member-country in proportion to its Fund quota.

The main need for the scheme arose from the enormous growth of world trade and its attendant problems. Between 1950 and 1965, the volume of trade increased from $59 billion to $175 billion, but world monetary reserves have grown much slowly.

In 1958, world reserves were 57 per cent of the value of world imports, in 1967, the ratio came down to 36 per cent. Between 1963-68, world trade has grown from $143,000 million to $242,000 million, a rise by about 70 per cent. But in the same period, world reserves have risen from $66,000 million to only $76,000 million, an increase of 16 per cent.

The resultant problem of international liquidity and doubts about whether world reserves were adequate to meet the requirements of world trade were accentuated by the limits on the supply of gold. Countries started using dollars instead, only to lead to dollar accumulations and further doubts about the adequacy of the currency.

Another aspect of the problem was that the reserves creation did not ensure that those that needed reserves got them. While West Germany, France, Italy and Japan—whose industrial recovery has been rapid—accumulated surpluses, countries like Britain and developing nations which needed the reserves did not get them. The need, therefore, arose for some arrangement which would create reserves as a response to the needs of overall trade as well as the needs of individual countries.

The increase in quotas in the IMF would be one way of increasing liquidity. The quotas are to be revised every five years according to the provisions of the IMF. So far, they have been raised twice, once by 50 per cent in 1959 and again by 25 per cent in 1965. The next review is due in 1970. The scheme of Special Drawing Rights is another device to increase liquidity deliberately in an amount considered necessary.

(**The Statesman,** New Delhi)

[Prev. ref. 9129:AOA:B]

F. Four Central Ministers Relieved: On October 15, the Prime Minister, Mrs. Indira Gandhi asked for the resignation of two Ministers of State and two Deputy Ministers — Mr. M. S. Gurupadaswamy, Minister for State for Community Development and Co-operation; Mr. Parimal Ghosh, Minister of State for Railways; Mr J. B. Muthyal Rao, Deputy Minister for Social Welfare; and Mr. Jagannath Pahadia, Deputy Minister for Finance.

In her letters to the four junior Ministers, Mrs. Gandhi asked for their resignations to bring about "certain changes" necessary for a more cohesive and purposive direction of the work of the Council of Ministers.

Mr. Gurupadaswamy, Mr. Pahadia and Mr. Muthyal Rao immediately wrote to the Prime Minister resigning their offices. Mr. Pahadia has done so without protest, while Mr. Gurupadaswamy told newsmen that Mrs. Gandhi was adopting a factional approach in removing Ministers, which was not good either for the party or the country.

Mr. Gurupadaswamy, in his letter to the Prime Minister, said: "Events alone will show whether ejecting socialists out of the Government is the best way to promote socialism." He charged her with "uniform lukewarmness" towards proposals for rural works programmes to provide employment and accelerate rural development.

It was recalled by observers that Mr. Gurupadaswamy had refused to sign the Congress MPs' memorandum asking for a free vote in the Presidential election, so had Mr. Pahadia and Mr. Muthyal Rao. But Mr. Parimal Ghosh was believed to have been one of the signatories, despite his association with Mr. Atulya Ghosh.

On October 17, the President accepted the resignation of the four Ministers.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 9110:INI:B, 9158:INI:C]

G. **President's Rule Imposed In** Manipur: The President of India signed a Proclamation on October 16 dissolving the Manipur Territorial Assembly and imposing President's Rule in the Union Territory.

The Proclamation was issued as the Centre considered that no party could form a stable Government in the present situation.

The Proclamation suspended the Constitution in the Union Territory for a year. Fresh elections would be held within this period unless the term of President's Rule is extended by another Proclamation.

(**The Statesman,** New Delhi and Calcutta)

[Prev. ref. 9208:INI:J]

H. National **Integration Standing Committee Meeting:** Meeting against the background of communal rioting in Gujarat (see page 9205) in New Delhi on October 16, the Standing Committee of the National Integration Council adopted a 500-word Policy Statement underlining the need for joint mass campaigning and education by all political parties in favour of communal amity and harmony.

The Jana Sangh representative, Dr. Bhai Mahavir walked out of the meeting protesting against certain portions of the Policy Statement which impliedly sought to condemn some of the recent statements made by the Jana Sangh leader, Mr. Balraj Madhok.

While expressing its sense of horror at the recent communal disturbances in Gujarat, the Committee said that it was firmly opposed to the denunciation of any minority community as being unpatriotic or as an agency of a foreign Power. "Equally do we condemn the spread of the idea that any minority community requires to be Indianised or else it should be forced to leave the country."

Dr. Mahavir took exception to the above passage and made a vain attempt to have it deleted or considerably watered down. His amendment (which was not accepted by the Standing Committee) said: "While all sections of people are naturally expected to join the national mainstream, any wholesale denunciation of a community as of doubtful loyalty was damaging to national integration."

Another Jana Sangh amendment turned down by the Standing Committee sought to introduce a common civil code for all citizens. Except Mr. Jaya Prakash Narayan and Mr. Sardesai (CPI), one other member lent support to this proposal.

This was the first time since its formation that a resolution or a document adopted by the NIC Standing Committee was not unanimous. At its meeting in Srinagar in 1968, the Committee had stressed that all its resolutions should be unanimous.

The Standing Committee asked the administrative agencies to firmly and promptly put down communal agitation and provocation which usually preceded communal disturbances. The Government, it said, must intervene to suppress with utmost speed and vigour every outbreak of communal violence.

Text Of Policy Statement:

The following is the text of the Policy Statement:

"The Standing Committee of the National Integration Council expresses its sense of horror at the recent communal violence in Gujarat which has given a serious setback to the growth of communal harmony and goodwill as the basis of our secular democracy. The Committee conveys its deeply felt sympathy to all those who have suffered.

"The Standing Committee is of the opinion that the effective weapon for fighting communal conflict and disintegration is joint mass campaigning and education by all political parties in favour of communal amity and harmony. We are firmly opposed to the denunciation of any minority community as being unpatriotic or an agency of any foreign Power. Equally do we condemn the spread of the idea that any minority community requires to be Indianised or else it should be forced to leave the country. In the course of communal frenzy people are found sometimes to indulge in such irresponsible talk as exchange of population with Pakistan being a solution of the Hindu-Muslim problem. The Committee is firmly of the opinion that such ideas have got to be combated as they are not only totally inconsistent with secularism and our concept of nationalism but also harmful to our country's unity and security.

"In a secular democratic country, all minorities whether based on religion, caste or tribe have to be assured due protection of their just interests, above all their life, property and honour.

"Attempts by communal elements in the minority community to rouse communal passions and separatist feelings have also to be vigorously fought. Besides being harmful to the secular basis and unity of the country, they jeopardize the interests of the minority community itself.

"It is the duty of the Government to take firm action against the preaching of communal hatred and animosity, whether carried on from the public platform or in the Press, without any consideration for the person concerned.

"The administrative agencies should firmly and promptly put down communal agitation and provocation which usually precede communal disturbances. The Government must intervene to suppress with utmost speed and vigour every outbreak of communal violence. Further, it is the duty of the administration to bring to book all those induling in arson, loo and murder during communal disturbances and mete out deterrent punishment to them. The Committee is convinced that the idea that withdrawal of cases can help in the restoration of communal harmony is misconceived. The prosecution of those charged with such heinous crimes does not stand in the way of restoring communal harmony.

"It is the duty of the public, and particularly of all political parties, to support firm action by the Government in putting down communal violence and bringing to justice those responsible for crimes in such disturbances."

(The Times of India and The Statesman, New Delhi)

[Prev. ref. 8408:INI:A, 9205:INI:A]

I. Mr. C. Subramaniam's Membership Of Congress Working Committee—Exchange Of Letters: After a six-week lull in Congress affairs, a new crisis erupted in the party on October 9 as Mrs. Indira Gandhi along with Mr. Y. B. Chavan and four other members of the Congress Working Committee (Mr. Jagjivan Ram, Mr. Fakhruddin Ali Ahmed, Mr. U. S. Dikshit and Mr. C. Subramaniam) wrote to the Congress President, Mr. S. Nijalingappa, accusing him of making "arbitrary" moves to remove Mr. C. Subramaniam from the Working Committee and the Presidents of UP and Andhra Pradesh Congress Committees from their offices.

The Congress President immediately wrote back refuting the charge of arbitrariness, but asserted that continuance of the three in their respective positions would have to be reviewed in the light of the provisions of the party's Constitution.

With Mrs. Gandhi away from New Delhi on a visit to the Laccadives, the exchange of letters halted with Mr. Nijalingappa's firm reply.

That a new confrontation had begun was clear from the demand made in the letter to the Congress President by Mrs. Gandhi and other signatories for a session of the Congress Working Committee on October 15 and an A-ICC session before Parliament re-convened on November 17 to consider the entire political situation.

Mr. Nijalingappa turned down both demands. The Working Committee would meet in the normal course on November 1 as settled earlier and it would decide the date and venue of the A-ICC session.

Mr. Chavan's signature to the letter was significant; it showed that his differences with Mrs. Gandhi had been resolved, paving the way for closer co-operation.

The Home Minister explained on October 9 that the main purpose of the letter to the Congress President was to avert a fresh cleavage in the party. They were anxious to prevent any move to drop Mr. Subramaniam from the Working Committee, until the matter had been fully discussed by the Committee itself.

Mr. Nijalingappa in his reply said that he had sent no communication to Mr. Subramaniam, but was "intending" to write to him to the effect that his resignation from the Tamil Nadu PCC Presidentship had terminated his **ex-officio** membership of the A-ICC, thus debarring him from continuing on the Working Committee.

He explained that successors had to be elected to the UP and Andhra Pradesh Congress Committee Presidents—Mr. Kamlapati Tripathi and Mr. Kakani Venkataratnam—because they were members of the respective State Cabinets.

This followed from a 1951 resolution of the Congress Working Committee which debarred Ministers from holding elective offices in the organization, but gave the Congress President discretion to make exemptions in special cases. Mr. Nijalingappa had himself continued as the Mysore Chief Minister for several months after election to the Presidentship.

Texts Of Letters:

The following is the text of the letter addressed by Mrs. Gandhi and others to the Congress President:

"On August 25, the Congress Working Committee, after reviewing the political situation, passed a resolution calling upon all Congressmen to create an atmosphere of unity in the organization. There have been complaints that the resolution was not observed in its letter and spirit by many important Congress leaders.

"The President's arbitrary orders removing Mr. C. Subramaniam from the Congress Working Committee and Mr. Kamlapati Tripathi and Mr. Kakani Venkataratnam and some others from various offices in the organization on the basis of some resolutions passed two decades ago will aggravate the situation, making the implementation of the unity resolution of August 25 more difficult.

"The Parliamentary Board met on October 7 and these matters could have been mentioned therein or they could have been kept pending consideration by the Congress Working Committee which has been convened to meet later this month (October, 1969).

"The action of the President is bound to have serious political repercussions and should, therefore, be considered by the Congress Working Committee at the earliest date.

"We therefore request that the Congress Working Committee, which has been convened to meet on October 30, may be called to meet around October 15.

"In the meanwhile, the orders issued by the President should be kept in abeyance. We feel that it is necessary also to have an early A-ICC meeting to consider the entire political situation.

"The President may kindly take steps to convene the meeting of the A-ICC before November 17."

The following is the text of Mr. Nijalingappa's reply delivered at the Prime Minister's house on October 9:

"I am pained to receive the communication sent by you and five of our colleagues of the Working Committee. You have stated that I have arbitrarily ordered the removal of Mr. C. Subramaniam from the Working Committee. I wish you had checked this matter with me before coming to this conclusion and allowing it to be broadcast. I have sent no communication to Mr. Subramaniam. I have never been in the habit of working arbitrarily. Such charges should not be loosely levelled by responsible colleagues.

"You are not unaware of the Congress constitution which demands that a member of the Working Committee is to be a member of the A-ICC. In the case of Mr. Subramaniam he was an **ex-officio** member of the A-ICC in view of his being President of the Tamil Nadu Pradesh Congress Committee. Now that he has ceased to be the President of the TNCC, the position needs to be gone into. I was intending to write to Mr. Subramaniam on this point. Not to have written to him about it and sought his consultation on it would be arbitrary, ignoring even the violation of the Congress constitution. Does devotion to unity demand that the Congress constitution should be ignored?

"From Andhra Pradesh I have received letters that the PCC President and Secretary have joined the State Government but no arrangements have been made to elect their successors in accordance with the resolution of the Working Committee.

"Mr. Kamlapati Tripathi has resigned long back from the Presidentship of the UPCC. A meeting of the UPCC to elect a fresh incumbent to the office was called and adjourned. It was, therefore, necessary for me to remind the PCCs in the usual course.

"It is surprising and painful to find you commenting that such communications sent to the PCCs, to quote your words, 'on the basis of some resolutions passed two decades ago will aggravate the situation making implementation of the unity resolution (of August 25) more difficult'.

"I thought the resolutions of the

Congress are binding on us until they are either revised or rescinded, particularly the resolutions governing the procedure and functioning of the party.

"Is it your thesis that lapse of some time automatically erases decisions taken? Will arbitrary functioning on my part to suit the wishes of any party help implementation of unity? As no action has been taken by me which need have caused the concern you have shown in your communication, I presume that there is no need to alter the programme already decided upon for the meeting of the Working Committee and for it to decide the date of the meeting of the A-ICC.

"What new developments you have in mind that necessitates urgent consideration of entire political situation is not clear to me."

Background:

Mrs. Indira Gandhi's supporters argue that the Congress Party constitution favours Mr. C. Subramaniam's continuance in the Working Committee despite his resignation from the Tamil Nadu Congress Committee. They point to the absence of any provision in the amended constitution by which an elected member of the Committee would cease to be so simply because he had lost his membership of the A-ICC.

Article 18(A) of the party's constitution **inter alia** says: "Ordinarily members of the Working Committee will be appointed from amongst the members of the A-ICC but, in special cases, delegates who are not members of the A-ICC may be appointed; provided, however, that a delegate so appointed shall cease to be a member of the Working Committee if he is not elected as a member of the A-ICC within six months of his appointment."

Article 26 dealing with vacancies says:

"(a) The office of a delegate or a member of any Committee or Board constituted under this Constitution shall be vacated by resignation, removal or death;

"(b) All vacancies shall, unless otherwise provided for, be filled in the same manner in which the vacated member was chosen and members so elected shall hold office for the unexpired term of the seat vacated;

"(c) In the absence of any provision to the contrary, a Committee or Board, once it is properly constituted, shall not become invalid by reason of any vacancy on it."

It is, therefore, argued that, in the first instance, there is no provision barring Mr Subramaniam from the Working Committee membership. The party constitution should, therefore, operate in his favour rather than against him since he was an elected member.

The constitution permitted even non-A-ICC members to continue as Working Committee members for six months. Whereas there was nothing specifically to bar Mr. Subramaniam from membership, and even assuming he had earned a disqualification, could not he be asked to continue by the Working Commitee by virtue of his being an elected member or, as the last resort, allowed to continue for six months till he got himself elected as an A-ICC member?

It is argued that the matter is entirely within the jurisdiction of the Congress President and the Working Committee as the latter has the final say on matters relating to interpretation of the party constitution.

[Out of a total of 21 members in the Working Committee, seven are elected by the A-ICC and 14 are nominated by the Congress President].

Requisition For A-ICC Meeting:

The following is the text of the requisition to the Congress President for convening of an A-ICC session signed by nearly 400 members·

"We, the undersigned—members of the A-ICC—request the Congress Working Committee to convene a meeting of the A-ICC under Article 12 B (d) to consider at the earlier possible time the following resolution:

"The acceptance of the Prime Minister's Note, embodying a radical (economic) programme, by the Bangalore session of the A-ICC and the bold step taken by her to nationalize the major banks created a sense of confidence in the masses that the programme and socialist policies of the Congress will be fully carried out.

"The resolution of the Congress Working Committee passed on August 25, 1969 generated the hope that unity necessary for the full and effective implementation of the said policies and programmes would be brought about. Unfortunately, the wind of change, which had been welcomed widely by the nation, appears to have generated tensions within the party which threaten the execution of these basic policies to which the Congress stands committed.

"It is evident that the declared policies of the Congress cannot be fully implemented unless the Congress organization as a whole is attuned to this purpose and given its wholehearted co-operation, particularly at its top level.

"The A-ICC, therefore, resolves that the programme of electing a new Congress President in December, 1969, when the term of the present President would have ordinarily come to an end, be undertaken on the basis of the present delegates and steps to that end be taken without delay so that the election of the new President is completed by December 30, 1969".

(**The Hindustan Times**, New Delhi
and **The Hindu**, Madras)

[Prev. ref. 9088:INI:A, 9158:INI:C]

J. Bangla Congress On Insecurity In West Bengal: The Bangla Congress, of which the Chief Minister, Mr. Ajoy Mukherji is the President, adopted a political resolution in Calcutta on October 7 stating that inter-party clashes, gheraos, repressive measures in educational institutions, forcible occupation of land, police inaction, a general deterioration in the law and order situation, activities of anti-social elements protected by different political parties, indignities suffered by women and indifference of the administration had combined to create a deep sense of insecurity and uncertainty in the public mind.

Giving a grim picture of the state of affairs in West Bengal, the resolution warned that "if such clashes and lawlessness were not stopped immediately the Bangla Congress would be compelled to build up a resistance movement on the Gandhian line to end this intolerable situation."

"If the situation in West Bengal is so grave as the resolution suggests, does it not warrant dissolution of the United Front Government and imposition of President's Rule?" newsmen asked Mr. Ajoy Mukherji and he replied: "No. Why should there be President's Rule? The coalition will continue."

The Deputy Chief Minister, Mr. Jyoti Basu CP(Marxist) reacted sharply to the Bangla Congress resolution. He said: "Let them say so at the UF meeting."

He took a copy of the resolution and read a portion which said that during the six-month rule of the UF "several hundred people had lost their lives". This statement, Mr. Basu said, was not correct. "It was absurd."

Mr. S. K. Dhara's Statement:

The Bangla Congress General Secretary, Mr. Sushil Kumar Dhara, declared on October 9 that they firmly stood by the party resolution despite the Marxist Politburo's view that it had no relation to reality.

He said: "We have taken up the challenge to substantiate our contention that there has been lawlessness in almost all spheres of life in West Bengal and that clashes had taken a toll of several hundred lives during the six months of the United Front rule."

There was, he added, "sufficient material" to substantiate the charges made in the Bangla Congress resolution and more facts were being collected from Bangla Congress organizations in different districts.

He, however, made it clear that the Bangla Congress had no intention to break away from the United Front. "We want to remain in the United Front as well as in the Cabinet and fight it out from within."

Satyagraha Plans:

On October 14, the Bangla Congress *announced its decision to enrol immediately 20,000 satyagrahis to take part* in the State-wide massive "resistance movement" to be launched in November, 1969.

The Bangla Congress General Secretary, Mr. Sushil Kumar Dhara, *who is also West Bengal's Commerce and Industries Minister, told newsmen that the resistance movement would be in protest against "lawlessness in almost all walks of life"* and inter-party clashes in which "several hundred persons were killed during the last six months of United Front rule in West Bengal".

The Deputy Chief Minister, Mr. Jyoti Basu, ridiculed the Bangla Congress plan.

Mr. Basu, who is in charge of the Home Department, said: "Against whom is the satyagraha directed? There should be a limit to frivolity."

The Chief Minister, Mr. Ajoy Mukherjee, denied rumours that he had planned to divest the Deputy Chief Minister of his Home portfolio.

Violence & Lawlessness In West Bengal—Bangla Congress Catalogue:

A catalogue of incidents of violence and lawlessness which occurred in West Bengal from February to September, 1969 was placed before the United Front Co-ordinating Committee in Calcutta on October 16 by the Bangla Congress in support of its allegation of widespread anarchy in the State.

According to this list, 378 people were assassinated in various types of incidents, including inter-party clashes, till October 4. Of these, 201 were political murders. The total number of people injured in these incidents was 673.

The Bangla Congress alleged that eight women were outraged in the course of political clashes. There were 25 inter-party clashes in August and 40 in September.

The list showed that 36 headmasters and headmistresses of educational institutions in different parts of the State were intimidated into resigning during the period. Hospital staff had been assaulted by mobs in 37 cases.

To substantiate the charge of police inaction, the Bangla Congress said there had been 292 cases in which the police did not act in spite of complaints having been lodged. In 24-Parganas District alone, strictures had been passed on the police for inaction in 202 instances. In three cases, policemen had been fined for non-compliance with court orders.

The figures compiled by the Bangla Congress regarding industrial relations showed that there had been 131 strikes and 73 lock-outs during the period. The number of workmen involved in these disputes was more than 5,74,000 and man-days lost exceeded 6,100,000. The number of **gheraos** till August was 367.

The Bangla Congress alleged that there were 218 instances of forcible occupation of land of small and middle peasants whose holdings were smaller than the permissible ceiling. The number of criminal cases which had been withdrawn or in which investigations had been stopped was 1,010.

The Deputy Chief Minister, Mr. Jyoti Basu, who is also in charge of the Home portfolio, retorted that the allegations were highly exaggerated and largely untrue.

He said it was in accordance with a Cabinet decision that 1,010 criminal cases had been dropped. It was not clear whether the number of "assassinations" cited by the Bangla Congress included the victims of communal riots also.

CPI(M) Committee's Rejoinder:

On October 19, the West Bengal Committee of the Marxist Communist Party decided to do "all in its power to keep the unity of the United Front" in the State in the face of the "disruptive tactics" practised by some members of the United Front.

The Committee's statement said that some United Front parties in West Bengal, including the CPI, had been "conspiring to isolate and malign our party and thereby weaken UF." Such attempts at disruption weakened the people's struggles and directly helped the vested interests.

It repudiated the recent Bangla Congress allegations of anti-social activities in the State and said that the catalogue of violence and lawlessness they alleged was based largely on unverified newspaper reports. "We are at a loss to understand how a responsible party can do such things in order to discredit UF."

According to it, there had been 48 political murders in the State since the installation of the UF Government and not 200 as alleged by the Bangla Congress. Of these, 26 people were killed in inter-party clashes.

Among the 26 deaths, 16 were of members of the CPI(M), two each of members of the Forward Bloc and SUC, and three each of members of the CPI and the RSP. Nine persons were killed in attacks by jotedars and Congress supporters. They included six from the CPI(M) and one each from the Forward Bloc, the RSP and the SUC. This showed that "our party is the principal victim of political murders."

Volunteer Force For Bangla Congress:

It was announced in Calcutta on October 22 that the Bangla Congress would soon have a volunteer force to be known as Shanti Fouz.

The Fouz would have a distinctive role to play. Unlike volunteer organizations of other political parties, it would follow the Gandhian principle of non-violent resistance to violence and other evils.

The inaugural rally of the Fouz was later held on November 2 at Bankura in connexion with the party conference there.

(The Hindustan Standard and **The Statesman,** Calcutta)

[Prev. ref. 8850:INI:N, 9197:INI:N]

K. Telengana Development Review Committee: The Telengana Development Review Committee met in New Delhi on October 17 and, it was learnt, decided, on the recommendations of the State Government, that a Presidential notification be issued soon to enlarge the powers of the Regional Committee.

When the matter was raised at the meeting, it was pointed out that the Government's law advisers were of the view that a Constitutional amendment was not necesary for the purpose. The State Government could draft an order and forward it to the Centre to enable the President to take the necessary action.

The meeting, the first since the Prime Minister's eight-point plan on

Telengana was announced in April, decided to associate a member of the Planning Commission with the Telengana Development Board, although allocation of funds did not come under the Commission's purview.

The Committee agreed that high priority should be given to the redressal of grievances relating to service conditions, fitments and promotions to those belonging to Telengana region.

It was decided that the Central Home Ministry should immediately send two senior officials to the State to deal with the pending cases on the spot.

The question of providing more resources for Telengana's development was raised by the Regional Committee Chairman, Mr. J. Chokka Rao. He pointed out that the State Government had proposed an outlay of Rs. 39 crores for Telengana out of the total provision of Rs. 87 crores for this year in the State, but the Planning Commission had reduced the latter to only Rs. 62 crores. He feared that Telengana might not get the requisite amount for development. It was pointed out to him that apart from the sanctioned resources, Rs. 18 crores more would be available for development through other means.

The meeting was attended among others by the Central Home Minister, Mr. Y. B. Chavan, the Industrial Development Minister, Mr. Fakhruddin Ali Ahmed, the Food Minister, Mr. Jagjivan Ram and the Defence Minister, Sardar Swaran Singh.

The Andhra Pradesh Chief Minister, Mr. K. Brahmananda Reddy, who also attended, was happy that for the first time the Centre was involving itself in the implementation of Telengana's development plan. Pending the report of the Bhargava Committee on resources, the State Government had allocated an additional Rs. 9 crores for development in the nine districts of Telengana.

He said that the recommendations of the Wanchoo Committee on Services had already been implemented. Nearly 2,000 additional posts had been created and nearly 1,300 vacancies filled. The problem of integration of services concerned about 3,000 persons. Industrial development in Telengana in the last two years had created over 35,000 new jobs.

He said that "false and vicious propaganda" was being carried on by those interested in trouble that Telengana had lost a great deal. On the contrary, a new slogan—"Andhra for Andhras"—was being heard greatly.

He pointed out that the overall loss sustained by Telengana since the start of the agitation by the separatists exceeded Rs. 52 crores. This included loss of Government property, taxes and income from road transport and power generation. The demand for separation was no solution of the economic problem.

(The Hindustan Times, New Delhi)

[Prev. ref. 9174:INI:G]

L. Mr. H. Sema On Naga Secessionist Movement: The Nagaland Chief Minister, Mr. Hokishe Sema, told newsmen in Shillong on October 18 that the Naga secessionist movement was showing signs of a gradual but sure death.

The arrest of most of the Peking-trained rebels and the capture of large caches of arms and ammunition, he said, had broken the spine of the underground set-up and more than 80 per cent of the Naga population was now in favour of a settlement within the Indian Union. Even some "underground" leaders, like former "President" Scato Swu and Mr. Kughato Sukhai were in favour of such a solution.

About 700 Naga rebels who sneaked into China last year, he added, had now returned to Nagaland. Of them, 555 had either been arrested or had surrendered. The hunt for the remaining 145 men was still on.

(The Hindustan Standard, Calcutta)

[Prev. ref. 9207:INI:D]

M. Communal Outbreaks During January-September: A review of communal outbreaks from January 1 to September 15, 1969 made by the Central Home Ministry disclosed that there were 210 communal incidents during the first nine months of the current year, the maximum number of 37 arising from quarrels about religious or marriage processions and playing music before mosques.

It showed that 18 incidents were due to dispute over cattle or cow slaughter. Twenty-two incidents owed their origin to dispute over land, nine to desecration, 10 to the sprinkling of coloured water, 15 to misbehaviour towards women and five to elections.

The total casualties in these incidents were: 78 deaths and injuries to 1,342.

Bihar claimed the maximum incidents—69. There were 19 incidents each in Uttar Pradesh, Kerala and Madhya Pradesh and 12 in Orissa. In other States, these ranged from three to nine.

The review said that the trend in regard to communal incidents had deteriorated in the latter part of 1967 and in the whole of 1968. This was also true in the first quarter of the current year, till it was reversed by the recent serious riots in Gujarat.

The worst month this year was March in which there were 65 incidents, including four major riots. A large number of those took place in connexion with the Ramnavami and Moharrum festivals.

Urging the State Governments to take effective administrative and legal action to prevent communal incidents, the review recalled the changes already made in the Criminal and Election Laws (Amendment) Act of 1969. The new law had enlarged the scope of Sections 15 (A) and 505 of the IPC and contained provisions for disqualifying persons convicted from standing for elections to Parliament or State Legislatures. It also empowered the Government to prevent the publication of material likely to inflame communal passions. The Home Ministry expressed the view that the communal menace could be curbed by an effective use of the new legal provision.

(The Times of India, New Delhi)

[Prev. ref. 8294:INI:Q]

N. Mr. Morarji Desai's Fast: Mr. Morarji Desai who began an indefinite fast over the Ahmedabad communal riots (see page 9206) on September 22, broke his fast on October 2 (Gandhi's birthday) at a public prayer meeting held at Gujarat Vidyapeeth as part of Gandhi centenary celebrations.

Mr. Desai was offered a glass of sweet lime juice by Swami Jagdishwaranandji of Gita Mandir on behalf of the heads of different religions in the city who had been working for peace and communal amity.

A large congregation had gathered to pay homage to Mahatma Gandhi with a feeling of guilt and penitence. It heard the essential message of all religions—equality of all human beings—from preachers representing Islam, Sikhism, Christianity, Zorastrianism and Hinduism. It heard the Gita hymns and bhajans which used to be part of Gandhi's prayer meetings.

Mr. Desai spoke with a sense of grief and urged the people to stand unitedly against those who indulged in violence in the name of religion.

He said: "Gandhi was assassinated in New Delhi on January 30, 1948, but he is killed once again in

Ahmedabad after 22 years."

(The Times of India, Bombay)

[Prev. ref. 9206:INI:A]

O. **State Lotteries:** Since 1968, a number of State Governments and Union Territories have launched lottery schemes to augment their reviews for development and welfare purposes. The public response for them has been stated to be wide, even phenomenal. The winners have often been poor persons. The value of each ticket has been only one rupee.

Indeed, it is said that the success of the lotteries would seem to ensure the permanency of the lottery.

States which were previously quite averse to the idea of lotteries were now among those who prided themselves on offering the biggest prizes. States were now competing with one another to see who would offer the biggest first prize—some, in their bid to beat competitors, have taken to having three first prizes.

The main purpose for which the lotteries were first launched, which in fact made the scheme acceptable to those who tended to regard them as nothing more than a gambling game—to provide funds for welfare *schemes, such as schools, hospitals, civic amenities*—was, however, not being kept in mind by all the States.

There was no doubt that in some States profits from the sale of tickets were used for relief and welfare work, but there were many States where the money was just put in the General Development Fund, which really meant that it was just another form of revenue, not earmarked for any purpose.

The Andhra Pradesh Government had been generally averse to lotteries, but when it found that outside lotteries were doing good business in the State more encouragement began to be given to the Andhra Pradesh Welfare Fund.

When the Fund was first launched, the first prize was kept as low as Rs 10,000, but now it had been raised to Rs. 200,000. The proceeds were used to serve the needs of institutions engaged in welfare activities, with an accent on medical relief and welfare of children.

So far the Fund had held nine draws, the latest on August 30, which netted Rs. 21,00,000. The bulk of the proceeds from the eighth draw had been earmarked for the eradication of leprosy.

Gross collections of Rs. 22,00,000 had been the record so far, though the Fund had kept before it an ambitious target of Rs. 1 crore every year. When the Fund was first launched there used to be only one draw every year. Now it was proposed to have three or four.

The lottery scheme was launched in Kerala during September, 1967, and the draw of the first lottery was held on January 26, 1968 in Trivandrum . The gross receipts from the scheme up to the 14th draw drawheld on September 21, 1969 amounted approximately to Rs. 3.41 crores, yielding a net profit of approximately Rs. 2.56 crores.

The Kerala Government was the pioneer in India in the field of conducting State lotteries to mobilize resources for the Five-Year Plan. Although in the earlier stages the proceeds were earmarked for specific developmental activities, this had since been given up and the net income was now added on to the general revenues of the State.

In Maharashtra, estimates of the annual gross collections by lotteries was placed at Rs. 13.25 crores and net collection is estimated at Rs. 1.5 crores. According to present plans, the money collected out of the sale of tickets would be spent on development programmes.

During the last 15 months, the Punjab Government sold tickets worth Rs. 2.30 crores and made a profit of Rs. 1.15 crores. During almost the same period, Haryana made a net gain of Rs. 1.34 crores from tickets worth Rs. 2.60 crores.

Officials claimed that the money earned was exclusively spent on development activities. In practice, however, the profits went to the consolidated pool in the Budget from where allocations were made to various schemes.

The Rajasthan Government had fixed a target of a net income of Rs. 60,00,000 from its lotteries scheme for 1969-70. It had earned Rs. 33,00,000 since January when the scheme was launched. The income from the lotteries was added to the State's General Development Fund and was not being spent on any particular projects or institutions.

The Tamil Nadu Government's year-old lottery scheme had so far helped 104 people to win the first prize of Rs. 1,00,000 each.

The State Government had put on sale tickets valued in all at Rs. 10.4 crores. After distribution of prizes, totalling in all about Rs. 275,00,000, and overhead expenditure, the net revenue for the State exchequer to date had been put at Rs. 5.98 crores. This money was set aside for social welfare projects such as building of hospitals, schools, etc.

Uttar Pradesh so far conducted three lotteries, earning Rs. 90,00,000 out of the proceeds.

For the utilization of the money, a hospital fund at the State level had been created, and a committee would allocate funds for district-wise distribution by taking into consideration the recommendation of the district health committees.

(The Statesman, New Delhi)

P. **"Own Your Telephone" System Declared Illegal:** Mr. Justice P. D. Limaye, Senior Division Judge of Kolhapur, on October 17 held illegal and void the "Own Your Telephone" (OYT) system under which preference was given to people over those applying under the general category.

The judge said that the practice of giving preference under OYT to the "special" and "preferential" categories was also unauthorized and granted an injunction against the Central Government and the Telephone Department.

The judgment was over a suit filed by an advocate, Mr. Baburao Joshi, who told the Court that he had been on the waiting list for a telephone since 1964. He complained that the Telephone Department was wrong in putting his name in the "general" category and in giving preference to others on the ground of "special" categories.

(The Times of India, Bombay)

[Prev. ref. 6488:INI:P]

Q. **Earthquake In Assam:** Assam was rocked by an earthquake on October 17.

The shock was also felt in Manipur and in parts of West Bengal, including Calcutta. The shock was also recorded at observatories in Calcutta, Bombay and New Delhi.

According to the Delhi seismograph station, the shock originated at a depth of about 50 km below the surface of the Earth.

(The Statesman, Calcutta)

[Prev. ref. 7968:INI:M]

R. **Gold Deposits In Andhra Pradesh:** The Geological Survey of India disclosed in Hyderabad on October 22 that a 10-mile-long, gold-bearing belt existed in the Ramagiri gold field (Anantapur district of Andhra Pradesh).

Underground exploration in the Yeppamanna mine had located this belt.

(The Hindu, Madras)

[Prev. ref. 7575:INI:Y]

INDONESIA

A. Curbs On Powers Of Army Commanders: The Defence Department Chief of Staff, Lt.-Gen. Sumitro, said on October 6 that President Suharto would now have full authority over military operations.

He said the Army commanders would no longer have authority to move troops from one area to another. They would now only be in charge of administration and management. This was to ensure stability in the country.

He was explaining a re-organization of the armed services in which the posts of Commanders-in-Chief of the Army, Navy and Air Force had been abolished. The commanders were immediately re-appointed Chiefs of Staff under the Defence Ministry headed by President Suharto, who in this position would also be armed forces Commander-in-Chief. He was expected to appoint a strong General as Deputy Commander-in-Chief.

The announcement meant that operational matters within the armed forces would now be directed and planned by the Ministry of Defence. The Chief of Staff of the Army would now have "no authority whatever to dispatch battalions or brigades to other parts of Indonesia outside the base area."

(**The Times**, London)

[Prev. ref. 8446:IND:C]

B. Repayment Of Debt To USSR —Talks: Indonesia and the Soviet Union concluded talks on September 30 in Djakarta on Indonesia's estimated $800 debt payment after reaching "mutual understanding."

Both sides agreed to continue the talks at a later date.

Earlier on September 20, the Foreign Minister, Mr. Adam Malik, after holding talks with the Soviet delegation, said the Soviet Union was willing to give aid totalling $25 million after agreement over repayment of the debt had been reached.

The Soviet delegation, led by the country's Deputy Minister for Development and Foreign Economic Relations, Mr. V. A. Sergeyev, had arrived in Djakarta in August. It was the first Soviet mission to visit Indonesia since the abortive communist **coup** of September, 1961.

Reports said that during the early stages of the talks, the Russian delegation wanted Indonesia to adhere to the terms of a Protocol under which Indonesia was to have made its first repayment of $25 million on April 1, 1969, with the balance over the next 12 years. While estimates of the Indonesian debt varied, the $800 million figure appeared the most accurate for medium and long-term debts. The bulk of the money—$523 million—had been borrowed for military spending. Implementation of the Protocol was made impossible by Indonesia's delayed process of stabilization. Indonesia's medium and long-term liabilities to the Soviet Union at the end of 1968 were put at $864.1 million principal and interests.

The Soviet Union is Indonesia's biggest individual creditor. Indonesia's total debt at the end of 1965, according to the Bank of Indonesia, was $3,133 million.

(**Far East Economic Review**, Hong Kong)

[Prev. ref. 8795:IND:B]

IRAN

A. Scholar Dead: Prof. Lotifali Suratgar, Persian poet and scholar, died of a heart attack in Tehran on September 24.

Until recently, Prof. Suratgar held the Chair in English Studies at the University of Tehran. An alumnus of the University of London, he composed and read the Coronation Ode at the coronation of the Shah on October 26, 1967. He was a frequent visitor to England, most recently in the capacity of consultant on the 14-volume **History of Iran** project being written under the aegis of the Cambridge University Press and under the general editorship of Prof. A. J. Arberry, late Professor of Persian Studies at Cambridge University. He was in his mid-sixties when he died.

(**The Times**, London)

JAPAN

A. Soviet Rejection Of Claims To Islands: The Foreign Minister, Mr. Kichi Aichi, on a visit to the Soviet Union in the first week of September, told correspondents in Moscow that the Soviet Premier, Mr. Alexei Kosygin, had rejected demands for discussion on the future of the Russian-held islands in the Pacific close to Japan.

After two hours of talks with Mr. Kosygin in the Kremlin, Mr. Aichi said that the Russians considered the matter closed. Mr. Kosygin had told him that the situation as established in Asia after the Second World War was very important in the balance of world power and the Russians considered it essential that this should not be changed. The Soviet Premier had stressed that the balance had been fixed by International Treaties and he refused to discuss the question of the islands further.

Mr. Aichi arrived in Moscow earlier on September 4 to seek the return of the two islands of Konashiri and Etorofu in the Kurile chain as well as nearby Shicotan island and the Habonai group, all of them lying off the north-east coast of Japan and held by the Russians since the end of the War. He said that Japan would continue to press its demands over the islands in the future.

According to a Press release issued after Mr. Aichi's departure from Moscow, he and Russian leaders expressed their hopes that friendly relations between Japan and the Soviet Union would be strengthened.

The Press release issued in Tokyo and Moscow simultaneously, said that Mr. Aichi and the Soviet leaders had conducted a frank and useful exchange of opinions on Japan-Soviet problems and international matters of mutual interest.

It said that expansion of trade and economic relations and development of cultural exchanges were discussed at the meetings. Much attention was paid to various problems concerning peace and security in Asia and the world.

The leaders of the two countries agreed that the exchange of views between the two nations would serve to bring Japan and the Soviet Union closer together.

The document did not refer, in concrete words, to the problems taken up at the meetings between the Japanese and Soviet leaders.

The Soviet leaders indicated to Mr. Aichi that the Russians would consider freeing Japanese fishermen detained by the Soviet Union as well as study Japanese-proposed steps to ensure the safety of Japanese fishermen in northern waters.

About 140 Japanese fishermen had been arrested by Soviet patrol boats on charges of violating Russian territorial waters off the Kuriles' southernmost islands.

The Press release also avoided making any specific reference to the discussion on the northern territorial question and merely said the two sides had held a useful exchange of views on problems of mutual concern. In this connexion, it mentioned that the two sides recognized that contacts between the two Governments were useful and made it clear that they were ready to continue these contacts.

It added that Mr. Aichi had observed cultural facilities and the Russian people's life in Moscow and Leningrad during his visit.

(The Japan Times, Tokyo)

[Prev. ref. 8881:JAP:A]

B. Mr. E. Sato On Japanese Role In Asian Security: Speaking at Matsue in Western Japan on September 25, the Prime Minister, Mr. Eisaku Sato, said that Japan in future would play a leading part in the security of Asia while USA played a supporting role.

He hinted in what was described by observers as a policy speech that this new role would follow naturally on the return to Japan of the island of Okinawa, in American hands since the end of the Second World War.

He said Japan as an industrial nation had the responsibility for assisting developing countries. Since the Second World War, Japan's primary interests had been in economic development of the nation rather than in security. But the time had come for the Japanese people to have an independent mind and the determination to defend their nation by their own hands.

He said that once Okinawa was returned, Japan could make a rediscovery of itself and carry out its role in the international community.

He would continue to demand the return of islands which the Soviet Union had refused to discuss and would take full responsibility if he failed to win Okinawa back from USA.

Political observers noted that both Mr. Sato and Mr. Kichi Aichi had in the week made important statements which went a long way towards the type of posture USA had been encouraging Japan to adopt in Asia for the past two or three years.

At the same time, the two statements followed on the heels of a meeting in Washington between Mr. Aichi and the US Secretary of State, Mr. William Rogers to prepare the way for November's Sato-Nixon **summit.**

Four Principles In Okinawa Negotiations:

Mr. Aichi re-affirmed on October 29 that the Government was determined to carry through "four principles" in the crucial negotiations with USA over Okinawa's reversion to Japanese rule.

He spelled out the four principles as: (1) acquiring Okinawa's reversion in 1972; (2) having the status of the American bases in Okinawa scaled down to that of those in Japan; (3) getting nuclear weapons in Okinawa removed; and (4) working out an agreement on Okinawa's return with no special arrangements attached.

At a news conference, he said that strenuous efforts were being made to reach a clear-cut agreement on a "nuclear-free Okinawa" at the **summit** conference between Mr. Sato and President Nixon.

Draft On Okinawa:

A Japanese draft, prepared in the second week of September for the **communique** to be issued following the Japan-US **summit** talks in November, calls on USA to return Okinawa by 1972 within the framework of the Japan-US Security Treaty and for Japan to give consideration to the maintenance of the bases' functions.

The draft says that Japan explained the sentiments of the Okinawan people towards nuclear weapons and USA promised not to take actions that would run counter to the Japanese people's wishes concerning the matter.

According to the sources, the Japanese draft was submitted during a meeting between the Foreign Minister, Mr. Kichi Aichi, and the US Secretary of State, Mr. William P. Rogers in Washington.

The discussions on the joint **communique** were reported to have made progress. No promise was obtained, however, that USA had finally agreed to the proposal for the withdrawal of nuclear arms from the island chain.

As for Japan-US security arrangements, the draft says that Mr. Sato and President Nixon favoured maintenance of the pact.

It says that USA promised to return Okinawa by 1972 and that the two countries agreed to conduct negotiations on concrete arrangements for the realization of the reversion.

The document also states that the two leaders agreed to carry out the reversion within the frame-work of the Security Treaty and related accords. Mr. Sato promised to give consideration to the maintenance of the functions of the US bases in Okinawa so that American military actions necessary for the security of the Far East would not be hampered.

(The Japan Times, Tokyo)

[Prev. ref. 8882:JAP:D]

C. Move To Support Non-Proliferation Treaty: Mr. Koichiro Asakai, Japan's representative at the UN Disarmament Conference, recommended to Mr. Eisaku Sato on September 25 that Japan sign the Nuclear Non-Proliferation Treaty at an early date. Mr. Sato withheld immediate comment.

Mr. Asakai told Mr. Sato that Japan should, in future sessions of the Committee on Disarmament, strive to expedite progress towards disarmament. For that purpose, Japanese political leaders should decide on Japan's concrete disarmament policy.

Mr. Asakai told a news conference later that it was inconsistent that Japan had urged inclusion of a clause obligating nuclear Powers to cut their arms while the Treaty was drafted and now refused to sign the pact despite the fact that her demand had been accepted.

He said that this country could sign the pact as a first step. Then Japan may put off ratifying the pact until its demand for elimination of inequality in verification was met.

He remarked that it was natural for Japan to request assurances that she would not be placed in a disadvantageous position as a result of her accession to the Treaty. He added that Japan should make its decision independently, regardless of how West Germany would behave on the Treaty.

Mr. Asakai's counsel was in accord with the Foreign Ministry's position in support of an early accession to the Treaty.

(The Japan Times, Tokyo)

[Prev. ref. 8148:JAP:B]

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AFGHANISTAN

A. Mr. N. A. Etemadi Resigns: The Prime Minister, Mr. Noor Ahmed Etemadi, resigned on October 14 on the expiry of his term of office which coincided with the inauguration of the new Parliament by King Zahir Shah.

The King, however, asked Mr. Etemadi to continue in office till the formation of a new Government.

On November 1, Mr. Etemadi was again asked by the King to form a new Government.

(Kabul Radio)

[Prev. ref. 6967:AFG:A]

CEYLON

A. Tea Board Bill: The Government introduced in the House of Representatives on October 21 a comprehensive Bill to set up a nine-member board for the control and development of the tea industry.

The board, recommended by a Government commission which went into the problems and prospects of the industry, will have sweeping powers to regulate the activities of the industry and bolster it.

Its aim will be to promote by suitable measures the development of the tea industry as a whole for the improvement of the general economy of the Island.

The board will regulate the production and cultivation of tea, including the planting of new areas, replanting of existing estates and small holdings with high-yielding material, rehabilitating uneconomic estates and small holdings and replacement of tea on such estates and small holdings by other crops.

It will regulate the sale and export of tea and assist and encourage its marketing abroad and promote the demand for tea in the world markets.

The nine members of the Board will be headed by a Chairman, nominated by the Prime Minister and comprise secretaries to the Ministries of Planning and Economic Affairs, of Finance, of Agriculture and Commerce and Trade and four others possessing intimate knowledge of the industry to be nominated by the Prime Minister.

The Bill provides for the levy and recovery of an export duty calculated at the rate of Rs. 10 and 15 cents, on every 100 lbs of tea exported from Ceylon. The duty will not be leviable on tea imported for the purpose of re-export.

The Government has powers under the Bill to vary the duty subject to subsequent approval by the House of Representatives. The export duty on tea thus imposed shall be in addition to any export duty on tea levied under any other law.

The Board will become a single centralized body to look after the tea industry and its problems and replace the present independent boards, like the Tea Propaganda Board and the Tea Research Board.

(The Hindu, Madras)

[Prev. ref. 8967:CEY:A, 9097:CEY:A]

B. ADB Assistance For Fishing Industry: The Asian Development Bank (ADB) has approved a technical assistance programme for Ceylon's fishing industry.

The programme will help the State-owned Ceylon Fisheries Corporation (CFC) in streamlining its organization and in improving its operational efficiency.

ADB will depute a seven-man technical assistance mission, comprising a management and institutional expert as leader, an economist, a fisheries technologist, a marketing expert, a mechanical engineer, a master fisherman and a fishing gear technologist.

The ADB mission will give advice and assistance to the CFC in respect of its organizational structure, finances, development projects, fishing operations, marketing, workshop facilities and fishing techniques.

It will also draw up a test fishing programme in coastal areas after reviewing available data on fish resources.

Aid For Walawe Development Project:

The Bank has also approved financial and technical assistance worth about $9 million for the multi-purpose Walawe development project in southern Ceylon.

The Walawe project is the first integrated multi-purpose development project and also the first single project for which diversified financing, comprising loans from both the Bank's special fund and ordinary capital resources, as well as a technical assistance grant, has been approved.

(UN Newsletter)

[Prev. ref. 9025:AOA:F]

C. Loan Agreement With Canada: Representatives of Ceylon and Canada signed in Colombo on September 21 an Agreement under which Ceylon would buy newsprint worth $1.5 million and asbestos fibre worth $500,000.

The loan terms were the same as those laid down in two Agreements signed earlier this year. It will be interest-free and repayment will be semi-annual over 40 years, following a 10-year grace period.

A Press release said that in accordance with the economic development priorities established by Ceylon, Canada had committed to quick-disbursing aid almost all of the $5.8 million allocated under its 1969-70 assistance programme.

Since the completion of the Katunayake airport and the extension of the Mutwal fisheries plant, Canada has reviewed with Ceylon possible areas for other capital assistance projects.

(The Ceylon High Commission, New Delhi)

[Prev. ref. 8860:CEY:D]

D. Thulhiriya Textile Mill Opened: The first stage of the Thulhiriya textile mill, the largest in the country, was opened on September 18. The mill will be able to produce 17.3 million lbs of yarn and 14.5 million yards of cloth and to finish 40 million yards per year.

The mill, estimated to cost Rs. 240 million, is expected to be complete by 1971. It has been established with assistance from the German Democratic Republic.

(The Ceylon High Commission, New Delhi)

[Prev. ref. 9061:CEY:B]

CHINA

A. **Release Of Six Britons:** Six Britons held in China for varying periods were successively released in the first fortnight of October.

The first to be released was the **Reuters** correspondent, Mr. Anthony Grey, who had been held hostage for 26 months. He left Peking soon afterwards for London **via** Pakistan. Reports from British diplomats said that apart from a slight cold, he appeared to be in reasonable health and was quite composed. He talked a great deal to the British **Charge d'Affaires,** Mr. John Denson.

On July 21, 1967, the Chinese Government had called Mr. Grey to the Foreign Ministry and told him that from that moment on he would not be allowed to leave his house. The reason they gave was that the Hong Kong Government had illegally imprisoned Chinese journalists following disturbances in the British Colony. *The last of the 13 Chinese for whom Mr. Grey was held hostage was released in Hong Kong on October 3 and Mr. Grey's release on the following day was the Chinese response to it.*

According to a report issued by the official **New China News Agency,** Mr. Grey was also told: "It was the Hong Kong British authorities' unjustifiable persecution and imprison*ment of patriotic Chinese journalists that brought about the restriction of your freedom of movement.*"

A week after the release of Mr. Grey, China freed on October 11 another British journalist, Mr. Norman Barrymaine (69), after 19 months' imprisonment.

The Chinese authorities unexpectedly released another three Britons on October 14. Mr. Eric Gordon, his African-born wife Marie, and their 14-year-old son Kim walked across the railway bridge linking Hong Kong and China.

Mr. Gordon was nearing the end of a two-year contract as a translator with the Foreign Language Publishing Institute in Peking at the height of the Cultural Revolution in 1967 when the family was ordered to be confined for "violations of Chinese law." Mr. and Mrs. Gordon had planned to return to Britain at about that time. They were not imprisoned, but kept under detention in a single room at a hotel in Peking. The Chinese Foreign Ministry informed the British Government in February that the son was not actually under arrest, but his freedom of movement seemed to have been restricted nevertheless.

The sixth Briton to be released by China in less than a fortnight walked across the frontier bridge into Hong Kong on October 16. He was Captain P. M. Will, master of the Singapore cargo ship **Kota Jaya,** who was arrested by Chinese security officials in the northern port of Tientsin in May, 1968.

With the exception of Mr. Grey, none of the British subjects detained were allowed access by a British consul, nor was any information given about them except that they had "violated Chinese law."

In the case of Mr. Barrymaine, there was never even an admission that he was held at all. Thus in no case were the releases made known to the British mission in Peking.

According to observers, one reason why no releases were made earlier could be that the Chinese were unwilling to set a precedent until their terms for the release of Mr. Grey had been met. He was admittedly a hostage, but a hostage whose release was tied to specific conditions. Once the last **New China News Agency** man had been released in Hong Kong, the rest could begin to follow. Even then, there were unanswered questions. Mr Gordon was a political sympathizer working for the Chinese Foreign Language Press. Others in a similar position were still detained —Mr. David Crook, Mr. Israel Epstein (Elsie Fairfax-Cholmondeley) and Mr. Michael Shapiro.

Japanese Request Rejected:

Japanese Foreign Ministry sources in Tokyo said on October 13 that China had turned down a Japanese request for opening talks on the release of 13 Japanese journalists and businessmen detained in the country.

China replied that she had nothing to discuss with Japan about Japanese nationals in her custody.

(**The Times,** London)

[Prev. ref. 8789:CHI:C]

B. **New Industrial Strategy:** On October 14, the authorities gave nation-wide publicity to the details of Mr. Mao Tse-tung's policy of achieving a new strategy of industrial development.

Emphasizing the need for a balanced approach between light and heavy industry and farming and manufacturing, Mr. Mao's guidelines issued in the latest edition of **Red Flag** called for the decentralization of industry to create "large and small reliable bases scattered all over the country" to meet the threat of invasion.

The article stated: "Should United States imperialism or Soviet social-imperialism impose a war on China, the nation would thus have greater freedom of manoeuvre and each locality could fight on independently, wipe out the enemy and carry on until final victory."

The version broadcast by **Peking Radio** suggested that the Chinese expected the main thrust of any aggression to come from the north—that is, the Soviet Union—and thus referred to the coastal provinces supplying the needs of the inland areas.

The policy of "deployment" in this style was not new. The most striking innovation in the article was the note of pragmatism struck in the earlier passages from **Red Flag.**

It said that China was not opposed to foreign aid so long as it "respects the sovereignty and independence of the recipients." The country should be prepared to learn from abroad, but not slavishly.

Special attention should be given to local light industries and to agriculture in order to meet the immediate needs of the population. Prosperity on these two fronts would generate the necessary surplus capital for the development of State-run heavy industries. These economic tactics were neglected before the Cultural Revolution, and farming and light industry had got into difficulties.

The correctness of Mr. Mao Tse-tung's approach to economic development, the article declared, was proved not only by the variety of new industrial achievements recently announced, including a 125,000-kwh generator of advanced water-cooled design, but also by the success of the recent nuclear tests.

(**The Times,** London)

[Prev. ref. 8549:CHI:D]

C. **American Attack On Fishermen Alleged:** China charged on October 10 that American ships and aircraft had fired on Chinese fishermen in the Gulf of Tongking.

The **New China News Agency** said that the Chinese Foreign Ministry had "strongly denounced" USA for sending military aircraft and warships to carry out "unbridled armed provocations for many days against Chinese fishing fleets on the high seas" in the area of the Gulf of Tongking. A serious protest had been lodged with USA "against this piracy threatening the security of the lives and property of Chinese fishermen."

The report did not indicate how the protest was delivered, as there are no diplomatic relations between USA and China.

The Chinese protest represented the first serious incident between USA and China since the Chinese had cancelled the Warsaw talks (see page 8860).

The report said that between September 19 and 24, a US guided missile cruiser and a destroyer had followed in the wake of and made provocations against 24 fishing vessels from China's Kwantung province. "In spite of stern protests by the Chinese fishermen, the United States pirates wildly opened fire on the Chinese fishing vessels."

The report alleged that armed staff on board a US military helicopter had "even threatened the fishermen on the Chinese vessels with pistols and carbines."

There had been previous incidents involving US ships and aircraft and Chinese fishing craft in the Gulf of Tongking. Political analysts said they saw no particular reason why China had made a special issue of the latest incident.

In January, 1968 Peking had alleged that US aircraft had bombed a Chinese cargo ship anchored at a North Viet-Nam port and wounded several members of the crew. Peking had continued to issue its "serious warnings" against alleged American intrusions into Chinese territory. They now numbered more than 470.

(The New York Times)

[Prev. ref. 8256:CHI:C, 8860:CHI:A]

INDIA

A. Kerala Ministry Crisis—Mr. E.M.S. Namboodiripad Resigns—New Ministry: Six non-Marxist Ministers of Kerala—Mr. M. N. Govindan Nair and Mr. T. V. Thomas (CPI), Mr. Mohammed Koya and Mr. Avukaderkutty Naha (Muslim League), Mr. T. K. Divakaran (RSP) and Mr. P. R. Kurup (ISP)—jointly announced in Trivandrum on October 17 that they had decided to resign from the United Front Ministry in Kerala.

With their decision, the fate of the 32-month-old CP(M)-led United Front Ministry in Kerala hung in the balance.

The resignation letters were delivered to the Chief Minister, Mr. E.M.S. Namboodiripad, by four representatives of these parties. Copies of the resignation letters were also sent to the Governor.

The exit of the six Ministers left Mr. Namboodiripad with a six-member Ministry, including Mr. Wellingdon and himself. Four of the Ministers belong to the Communist Party of India (Marxist) and one each to the KTP and the Kerala Socialist Party. The Samyukta Socialist Party, though a coalition partner, is not represented in the Ministry.

Three of the six Ministers to resign—Mr. M. N. Govindan Nair and Mr. T. V. Thomas of the CPI, and Mr. P. R. Kurup of the ISP—were to face a probe into allegations of corruption against them, along with the Health Minister, Mr. B. Wellingdon, according to an announcement made by Mr. Namboodiripad in the State Assembly earlier in the day (October 17).

Mr. Namboodiripad had not asked them to resign as he had no occasion to examine the evidence against them to find out whether there was any **prima facie** case against them.

Mr. E.M.S. Namboodiripad's Request Rejected:

On October 19, the six Ministers wrote back to the Chief Minister, Mr. Namboodiripad, rejecting his appeal not to press their resignations.

In their reply to the Chief Minister, they said they could not reconsider their resignations because the Chief Minister had not given them any specific proposal.

The four non-Marxist parties felt that the terms of reference issued by the State Government for the inquiry against the former Health Minister, Mr. B. Wellingdon, amounted to a contempt of the Legislature.

The Special Committee constituted by the State Legislature to send up to the Government all the charges against the Ministers had submitted 12 charges made in the Assembly against Mr. Wellingdon for the consideration of the Government. The State Government ordered an inquiry into two charges only.

Charges Against Mr. E. M. S. Namboodiripad:

One of the charges made against the Chief Minister was that he had made a political decision on the corruption issue by putting the CPI and ISP Ministers before the Inquiry Commission along with the KTP Health Minister, Mr. B. Wellingdon.

While action against Mr. Wellingdon was recommended by the Legislature, action against the two CPI Ministers and the ISP Minister was an implementation of the CPI(M) decision. By implementing a party decision, it was said, he had acted as a partisan Chief Minister, violating all the established norms of the post of a **Chief Minister.**

Another charge made against Mr. Namboodiripad was that he had used the Chief Minister's powers to protect himself and his Marxist colleagues from corruption probe while using the same powers to order a probe against some of the non-Marxist Ministers.

[Mr. M. N. Govindan Nair and Mr. T. V. Thomas, the two CPI leaders against whom Mr. Namboodiripad has ordered a corruption probe, had been close associates of Mr. Namboodiripad since the very beginning of the Communist movement in Kerala nearly three decades ago, until the Communist Party of India split into the CPI and the CPI(M) in 1964. Mr. Govindan Nair was the Party Secretary when Mr. Namboodiripad formed the first Communist Ministry in Kerala in 1957. Mr. T. V. Thomas was the Labour Minister in the first Communist Ministry. Until very recently no one had openly charged Mr. Namboodiripad with corruption. Now his own political allies for the last three years describe him as the "chief of corruption."]

Mr. A. N. Mulla To Inquire:

Mr. A. N. Mulla, MP, a retired judge of the Allahabad High Court and a jurist of liberal and radical views, was appointed by the Kerala Government on October 18 as a one-man commission to go into the allegations of corruption against the four United Front Ministers.

In separate official notifications issued in respect of each Minister, the Government said that Mr. Mulla, who was being appointed under the Commission of Inquiries Act, 1952 had been requested to submit his report by January 31, 1970.

Mr. E. M. S. Namboodiripad Resigns:

On October 24, the Chief Minister, Mr. E. M. S. Namboodiripad submitted his resignation and of his Council of Ministers to the Governor, after his defeat in the Kerala Assembly in the morning on a motion demanding an immediate corruption inquiry against all his remaining Ministerial colleagues, including three Marxists.

The resolution, moved by a CPI member, Mr. T. A. Majid towards the end of the three-day discussion on Mr. Namboodiripad's statement on October 17 was carried by 69 votes to 60, with one abstention.

The Governor accepted the resignation and asked Mr. Namboodiripad to carry on until other arrangements were made. The Speaker adjourned the Assembly **sine die.**

New Ministry:

On November 1, an eight-member Ministry headed by Mr. C. Achutha Menon was sworn-in.

Mr. Menon, who met the Governor, along with Mr. C. H. Mohammed Koya (Muslim League), Mr. U. Kumaran (CPI) and Mr. Baby John (RSP) gave the Governor a letter signed by the leaders of the five parties — CPI, Muslim League, ISP, RSP and Kerala Congress—nominating him as leader of the coalition.

The eight members of the Cabinet are: Mr. C. Achutha Menon, Mr. K. T. Jacob and Mr. P. Ravindran (all CPI), Mr. C. H. Mohammed Koya and Mr. K. Ayukaderkutty Naha (both Muslim League), Mr. N. K. Seshan and Mr. O. Korank (both ISP) and Mr. K. M. George (Kerala Congress).

The RSP, though extending "positive support," it was said, would not be represented in the Cabinet for the time being.

The five parties forming the coalition Government have a combined strength of 57 in the 134-member Assembly.

The Government is also assured of the support of the two Karnataka Samithi members and the lone member of the Kerala Karshaka Party. The nine-member Congress Opposition group has also offered its support.

The party position in the Assembly with one seat vacant is: CPI(Marxist) 50, CPI 21, Muslim League 14, *ISP 11, SSP 6, RSP 6, Congress 9, Kerala Congress 5, KSP 1, KTP 1,* Independents 7, (including two Karnataka Samithi members and two members belonging to the Communist Revolutionary group), nominated Anglo-Indian 1 and the Speaker.

A sub-committee consisting of representatives of the five parties had been constituted for framing rules and procedures for a Co-ordination Committee of these parties.

Portfolios:

In the allocation of portfolios on November 2, the Home portfolio was given to Mr. C. H. Mohammed Koya (Muslim League).

Mr. Koya also retained the Education portfolio which he held in the previous Government.

The CPI Chief Minister, Mr. C. Achutha Menon: Planning, Law, and Electricity and General Administration.

Mr. K. T. Jacob (CPI): Food, Excise and Land Revenue;

Mr. P. Ravindran (CPI): Industries and Commerce, Forests and Labour.

Mr. N. K. Seshan (ISP): Finance, Information and Publicity;

Mr. O. Koran, (ISP): Agriculture, Irrigation and Co-operation, Devasthanoms and Harijan Welfare;

Mr. K. Avukaderkutty Naha (Muslim League): Panchayats and Community Development, Public Works and Jails;

Mr. K. M. George (Kerala Congress): Health, Transport and Communications and Engineering.

(**The Hindu,** Madras and **The Times of India,** Bombay)

[Prev. ref. 9007:INI:G, 9069:INI:N]

B. **Progress Of Banking:** According to an official report, released in New Delhi on October 27, commercial banks served only 5,000 of a total of 5,64,000 villages in the country.

The report, which threw interesting light on the under-development of banking in India, said that the magnitude of the problem could be gauged from the fact that the average population served by commercial bank offices in India was as high as 73,000 as against 4,000 in Britain, 7,000 in USA, 15,000 in Japan and 11,000 in Iran.

Commercial bank deposits and credit as proportion of national income formed hardly 14 per cent and 10 per cent respectively in India compared with 84 per cent and 79 per cent in Japan, 56 per cent and 36 per cent in USA and 40 and 25 per cent in Canada.

Tamil Nadu had the largest number of 91 towns without any office of a commercial bank, followed by Madhya Pradesh (79), West Bengal (64), and Uttar Pradesh (59), Almost all the towns in Gujarat, on the other hand, had modern banking facilities.

The unevenness of banking facilities was all the more glaring in respect of distribution of credit. The lion's share of bank credit went to two States of Maharashtra (32.3 per cent) and West Bengal (22.5 per cent). Tamil Nadu, which had the largest number of offices, claimed 10.2 per cent of the bank credit.

The urban-orientation of the banking system was also evident from the fact that five major cities of Bombay, Calcutta, Delhi and Madras and Ahmedabad accounted for as much as 46 per cent of the total deposits and 65 per cent of the total bank credit at the end of 1967.

In fact, Bombay and Calcutta accounted for 32 per cent of deposits and 51 per cent of bank credit which showed the large inflow of funds into these two cities from other banked centres.

There was, however, an improvement in the position with the share of Bombay and Calcutta in total deposits declining from 45 per cent in 1951 to 32 per cent in 1967. Their share in credit came down from 59 per cent to 51 per cent over the same period.

(**The Times of India,** New Delhi)

[Prev. ref. 9166:INI:T]

C. **Punjab Congress MLAs' Defection:** Three Congress Members of the Punjab Legislative Assembly defected to the Akali Legislature Party on October 29. One of them, Mr. Radha Kishan, is a Hindu.

Though Mr. Radha Kishan has been admitted to the Akali Legislature party the Punjab Chief Minister, Mr. Gurnam Singh, said the Akali Dal had yet to decide whether he can join the organization.

Mr. Radha Kishan thus became the only Hindu MLA in the party. The party also has a Muslim MLA—the Nawab of Malerkotla.

The other two MLAs to defect were Mr. Harcharan Singh Brar, Deputy Leader of the Congress Legislature Party, and Mr. Lajinder Singh Bedi. Two Congress MLAs defected to the Akali Dal a few days earlier.

This raised the strength of the Akalis in the 104-member Punjab Assembly to 55 (excluding the Speaker) and reduced the number of Congress members to 28. Two seats in the Assembly are vacant.

(**The Times of India,** New Delhi)

[Prev. ref. 9121:INI:B, 9212:INI:U]

D. **Sangeet Natak Akademi Awards For 1969:** Twelve eminent artistes in the fields of music, dance and drama have been selected by the General Council of the Sangeet Natak Akademi for awards for 1969.

The awards include two each in the fields of Hindustani and Karnatak music, four in dance (one each in Kathak, Bharatanatyam, Kathakali and Manipuri), four in theatre (one each in play writing— Bengali, play production—Urdu and acting—Malayalam).

An award has been made for the first time in the field of traditional theatre. It goes to Ankia Nat, a theatre form of Assam.

The award winners are:

Music: Ramchatur Mallick (Hindustani vocal), Dabir Khan (been, instrumental), M. M. Dandapani Desigar (Karnatak vocal) and Devakottai A. Narayana Iyengar (veena and instrumental).

Dance: Vazhenkate Kunchu Nair (Kathakali), Thangjam Ojah Chaoba Singh (Manipuri), Tiruvalaputtur

K. Swaminatha Pillai (Bharatanatyam—for teaching) and Sitara Devi (Kathak).

Drama: Mammatha Roy (playwriting, Bengali), Habib Tanvir (play production, Urdu), N. N. Pillai ((acting, Malayalam) and Gahan Chandra Goswami (traditional theatre, Ankia Nat).

The artistes received the awards at a special ceremony. The Akademi arranged a week-long festival of music, dance and drama featuring some of the honoured artistes.

(The **Hindustan Times,** New Delhi)

[Prev. ref. 8797:INI:T]

E. Remains Of Early Man Discovered In West Bengal: Fossilized remains of early man (hominid) were discovered for the first time in the Indian sub-continent in October at Susunia in Bankura district of West Bengal.

The remains, consisting of a well-preserved skull apparently of a child, a fragmentary jaw with teeth and a long bone, belong to the pleistocene age covering the period between 8.000 BC and one million BC.

According to an eminent scholar and explorer, Mr. D. Sen, reader, department of anthropology, Calcutta University, the identity of the relics and fossils, when established, would provide the "long-awaited solution to the problem regarding the emergence of man in India."

(The Statesman, Calcutta)

INDONESIA

A. Oil Development Plans: The development of oil and other mineral resources has received priority consideration as a potential source of foreign exchange earnings in the Five-Year Development Plan, which otherwise places emphasis on the agricultural sector.

Petroleum resources remaining open for exploration and exploitation in the form of joint ventures with foreign enterprises are those in the offshore areas. The onshore areas are reserved for further development by the State oil enterprise Pertamina, except for some areas which Pertamina finds difficult to develop through its own efforts

More than 25 foreign oil enterprises have concluded production sharing contracts with Pertamina, and further contracts are awaiting approval.

Oil companies which have already concluded production sharing contracts with Pertamina are Japex Indonesia, for exploration and exploitation of oil and gas offshore North Sumatra, Bunju, and Mahakam in East Kalimantan, and Kyushu Oil Development Co., Ltd., for the exploration and exploitation of oil gas off-shore south and south-east Kalimantan.

Indonesian crude oil production has kept increasing almost continuously year after year, from 170 million barrels in 1964 to 220 barrels in 1968.

Under the Five-Year Plan, a further large increase in oil production is forecast, with the production target for 1973-74 set at 440 million barrels, or twice the amount produced in 1968. This forecast is based on the expectation that the production sharing contracts with foreign companies will result in oil yields by 1972.

The increased Indonesian oil production has resulted in a parallel increase in crude oil exports, which rose from 99.5 million barrels in 1964 to 145.5 million barrels in 1968.

Crude oil exports have become one of Indonesia's biggest foreign exchange earners, netting about $130 million in 1967. With oil production expected to rise to more than one million barrels a day in the early 1970s, it is hoped that oil export earnings will be raised to more than $200 million a year.

(Japan Business News, Tokyo)

[Prev. ref. 6522:JAP:D]

JAPAN

A. Prime Minister's Right To Overrule Courts Held Constitutional: The Tokyo District Court in the last week of September ruled constitutional an article in a law that gave the Prime Minister the right to overrule a court decision on an administrative suit in turning down a claim for 1,000,000 yen in a damages suit filed by a Leftist group against the Government.

The article in question was Article 27 of the Law on Administrative Litigation which empowers the Prime Minister to overrule a decision of court when he sees the decision seriously affects the public welfare.

The suit was filed by a group named the League of Tokyoites for the Protection of the Constitution against the Prime Minister, Mr. Eisaku Sato. It referred to an incident in 1967 when the group applied for an approval of a demonstration past the Diet Building to the Tokyo Metropolitan Public Safety Commission in celebration of the 20th anniversary of the enforcement of the Constitution. The Commission approved the demonstration but ordered a change in the course so that the demonstrators would not march past the Diet Building.

The group applied for an injunction against the order to the Tokyo District Court on the ground that such an order violated the freedom of expression as guaranteed under the Constitution.

Judge Hidero Ito of the District Court said that there may be argument as to the appropriateness of the Article in question on the part of legislators, but it could not be judged unconstitutional.

The plaintiff had argued that the Government's "abuse" of the power under Article 27 of the law caused them spiritual pain and demanded 1 million yen as compensation.

(The Japan Times, Tokyo)

B. Community Development Plan: Building of a new type of "community" in every region or locality of Japan free from problems of a highly industrialized society has been proposed by the National Life Council.

Called "recovery of humanity in living," the recommendation was the third suggestion to be submitted to the Government by the Council for laying down future social policy guidelines. The preceding two concerned improvement of living conditions for the aged and leisure activities of the people.

The Council will make a fourth recommendation on "a new informationized society" (the Japanese society in the new age of evolutionary information industries now developing in the country).

The third recommendation called for: (1) more interchange and mutual assistance within the regional community; (2) better utilization of leisure time; and (3) improvement of living environment. All these aim at re-orientation of the society towards a new type of regional communities with an entirely new sense of citizenship.

Proposed as ways and means of realizing the three suggestions were: (1) training of community leaders; (2) administrative steps to back up voluntary public efforts to form new communities; and (3) planning of such community activities so as to build and maintain a comfortable living phase in national life.

(**The Japan Times**, Tokyo)

[Prev. ref. 7576:JAP:A, 8254:JAP:B]

C. "British Week": At a ceremony at the National Theatre in Tokyo on September 26, Princess Margaret opened "British Week," Britain's biggest attempt yet to publicize its products in Japan.

The opening ceremony for the carnival of British culture and Industry was attended by about 1,200 people, including Princess Margaret's husband, Lord Snowdon, and Princess Chichibu.

In her message, Princess Margaret said that both her country and Japan had a long history as a nation and had important roles to play in the present world. She hoped that the British Week would lead to expanded trade and closer ties between the two countries.

After the opening ceremony, Princess Margaret and Lord Snowdon left for Nippon Budokan Hall in Kudan to open the "Britain in Tokyo" exhibition. Later, she visited various department stores and other exhibition places. Lord Snowdon attended the opening ceremony of the British Hi-Fi and Domestic Appliances Exhibition at Sony Building in the Ginza.

Tokyo was enveloped in British colour during the Week.

"British Week," held in seven countries—one in Asia, one in North America, and seven in Europe—since five years ago, is to promote sales of British products as well as international friendship through the holding of various scientific and cultural exhibitions.

(**The Times**, London and **The Japan Times**, Tokyo)

[Prev ref. 8032:JAP:B]

JORDAN

A. Alleged "Rightist" Plot Foiled: **Amman Radio** reported on October 6 that King Hussein's regime had foiled a plot to overthrow it by an extreme Right-wing group.

The **Radio** did not make it clear whether the plot was directed against the King himself or those round him.

The announcement, which followed an emergency session of the Cabinet, said that the plot was thwarted on October 4, the day after King Hussein returned from the Islamic **summit** meeting in Rabat. It had been directed by the leaders of the fanatical Tahrir (Freedom) Party which was banned throughout the Arab world and implied that a number of arrests had been made.

However, reports said that the chief plotter, Shaikh Taqieddin Nabhani, who founded the Tahrir Party in the early 1930s, and other leaders were still at large, and there had been some speculation that Shaikh Taqieddin had fled the country. (A plot by his party against the **regime** was crushed earlier this year).

The conspirators' objectives were not made clear by the statement, but as the party had little more than 100 members in Jordan and enjoyed little support, it was believed that it may have planned a campaign of assassination against King Hussein and his Ministers. The statement, issued by the Ministry of the Interior, said the plot first came to light five months ago when a number of members of the party were arrested.

[The Tahrir Party, which calls for the return of the Caliphate, bringing the entire Arab world under one leadership and based on Koranic laws, is under universal banishment because it regards all present Arab Governments as non-existent. It is regarded as even more fanatical than the Right-wing Brotherhood.] Muslim

(**The Times**, London)

[Prev. ref. 9073:JOR:A]

KOREA (South)

A. Assembly Passes Referendum Bill: A constitutional amendment allowing President Park Chung Hee to seek re-election in 1971 was put to a national referendum for final approval on October 17.

The controversial Bill was earlier approved by the South Korean National Assembly on September 14 at a session attended by only Democratic Republicans and other supporters of President Park.

The 44 members of the Opposition Simminhoe (New Democrats) and their four supporting Independents were involved in a sleep-in demonstration right on the floor of the Speaker's rostrum protesting against the Bill. The 107 Democratic Republicans, re-inforced by 15 Independents "passed" the Bill in a predawn session without informing the opposition. The plenum was not held at the regular chamber, but inside a nearby annex building. It took only 25 minutes to pass not only the Constitutional Amendment Bill but also a Bill governing the rules of the national referendum.

The Simminhoe leader, Dr. Yu Chin-o described the passage of the Bill in such circumstances as "death of democracy."

The night before the Bill's passage, heated debates had taken place on the House floor over the precise implications of Article 69 of the Constitutional Amendment Bill. A literal translation of the Article meant that the President "might serve three terms consecutively." The Opposition insisted that there was a danger that the Article could be abused to give President Park Chung Hee life-long Presidency. He could serve, for instance, an additional three terms beginning in 1971—or he could resign at some point in a third term and start afresh for another two.

(**The Times**, London and **Far Eastern Economic Review**, Hong Kong)

[Prev. ref. 9140:KRS:A]

NEPAL

A. Remains Of Mr. J. Breitenbich Found: The remains of Mr. John Breitenbich, who died in an avalanche on March 23, 1963 while negotiating an ice-fall with the American expedition to Everest, were discovered by a group of sherpas on September 24. They were buried near the Buddhist monastery of Thyangboche on October 15.

Present at the funeral were Mr. Norman Dyhrenfurth, leader of the 1963 Expedition, and Mr. Barry Bishop, who was among six members of the American team which had climbed **Everest**.

Mr. Breitenbich's skeleton was buried facing **Everest.** The Head Lama of Thyangboche, whose blessings are sought by most expeditions to **Everest**, was also present.

Ever since a skeleton with a wrist-watch, a camera, a walkie-talkie and some other items was found by a group of sherpas on September 24, it was generally believed that the remains were those of the youngest member of the American expedition. Mr. Dyhrenfurth and Mr. Bishop later identified the skeleton at Thyangboche.

(**The Statesman**, Calcutta)

[Prev. ref. 5540:NEP:F]

PAKISTAN

A. Third Plan Short-fall: The latest evaluation and implementation reports indicate that the Third Five-Year Plan, which ends on June 30, 1970, will fall significantly short of its targets.

Official sources estimate a shortfall of Rs. 8,000 million in the public sector programme alone.

The overall cost of the Plan was originally estimated to be Rs. 52,000 million. But, officials now say that only Rs. 42,000 million will be spent in terms of current prices. In terms of constant prices, the figure will be Rs. 36,000 million, leaving a gap of Rs. 16,000 million. This implies that prices rose by 20 per cent during the Plan period.

The main shortfall was in the public sector programme which has come from the original target of Rs. 30,000 million to Rs. 22,000 million. By contrast, actual private investment was estimated to be Rs. 20,000 million to Rs. 21,000 million as against the Plan target of Rs. 22,000 million.

Official explanation for the big shortfall in public sector investment was that it was during the Third Plan period that the war with India occurred, diverting resources to defence. Additional defence expenditure during the Plan was estimated at Rs. 5,000 million. Besides, there was a cut in foreign assistance. The Plan had anticipated the receipt of Rs. 13,500 million from aid-giving countries, but only Rs. 10,300 million was in fact received.

The Plan had envisaged additional taxes worth Rs. 3,000 million, but in fact taxes worth Rs. 6,500 million were introduced. Even then the actual collection did not match estimates Savings too were below expectations; they remained at the Second Plan level of 10 per cent of the Gross National Product.

Much of the growth during the Plan period was in the field of agriculture. Industry lagged behind. The growth rate in agriculture was set at 5 per cent and the actual achievement was 4.6 per cent in spite of the poor performance in the East Wing. The agricultural growth in West Pakistan was 5.6 per cent. The Plan had set a target of 15 per cent for the industrial sector, but actual performance will come up only to 10 per cent.

Meanwhile, according to the State Bank, foreign exchange receipts from visible exports during 1967-69 amounted to Rs. 3.25 million against Rs. 2.95 million a year before showing a growth of 9.36 per cent. For the first time, share of manufactures in total exports was more than the share of primary commodities: manufactures accounted for 55 per cent of Pakistan's exports as against 46.9 per cent in 1967-68.

Though total exports during 1968-69 were higher than in 1967-68, they fell short of the target of Rs. 3,291 million. The reasons included: less production of jute crops due to cyclones and floods in East Pakistan; shorter cotton crop and destruction of 80,000 bales of cotton by fire in Karachi; and political disturbances.

Nevertheless, the export policy for 1969-70, announced in Islamabad at the end of August, envisages a 10 per cent increase in Pakistan's export earnings over the current financial year.

(Far Eastern Economic Review, Hong Kong)

[Prev. ref. 9099:PAK:A, 9075:PAK: F, 9125:PAK:G]

B. Strength Of Air Force—Indian Institute's Analysis: According to a study made by the Indian Institute of Defence Studies and Analysis in New Delhi on October 19, the Pakistan Air Force, which now consists of 16 combat squadrons compared with India's 30, may not expand to any significant extent over the next 10 years.

Published in the Institute's journal, this study by Mr. S. B. Guna highlighted the financial burden that the acquisition of new aircraft would involve in the absence of military aid which had helped Pakistan build up the strength of its Air Force between 1954 and 1965.

Examining Pakistan's balance of payments deficit, the study suggested that Pakistan's ability to spare a sizeable amount of foreign exchange for buying aircraft had "serious limitations." In any event, Pakistan was faced with the problem of finding replacements for its aging fighter-bombers, the F-86 Sabres. Acquired partly from USA under aid and bought partly from West Germany **via** Iran after 1965, the eight squadrons would have to be retired before long.

The 25 **Mirage** aircraft Pakistan had bought from France in 1967-68 were a useful addition in the fighter-bomber category. Another 25 were believed to be on order, implying probably the beginnings of a programme for phasing out Sabres.

The study referred to reports that Pakistan was trying to persuade the Soviet Union to supply 100 **MIG-19** fighter-bombers, as well as a few squadrons of the faster and more deadly **Sukhoi.** The request for MIG-19 confirmed that this aircraft—of which China supplied 40 to 60 in 1966—had proved itself highly effective. Since China was credited with an annual production capacity of only 40 to 50, its ability to meet further Pakistani requests was limited, and hence the need to look to the Soviet Union.

Pakistan's build-up of air power after 1965 was marked by a heavy emphasis on self-reliance for maintenance and spares. "Spectacular results" were claimed to have been achieved in the indigenous production of "sophisticated equipment." This related possibly to local manufacture of spares, since no aircraft industry worth the name was likely to come up in Pakistan "in the next decade or two."

Also noteworthy were the claims made by Pakistan to high standards of serviceability, through careful maintenance and servicing. As much as 80 per cent of the **MIG-19** fighter-bombers were serviceable at any time—a very high figure.

Training was also receiving great attention. Air Force pilots were liable to be weeded out even after being posted for squadron duty if they could not maintain the high standards acquired.

The study noted that the overseas assignments obtained by Pakistan had given its **Air Force** pilots exceptionally wide operating experience on nearly all modern combat types. These assignments had been in Saudi Arabia and other West Asian countries, apart from training arrangements made with China for handling **MIG-19's** and with Australia for the **Mirage**.

(The Times of India, New Delhi)

[Prev. ref. 8333:PAK:E, 8848:INI:C]

C. Economic Situation In East Wing: In a joint statement issued on October 17, five educationists described the economic situation in the East Wing of the country as "fast deteriorating" and expressed their grave concern over the rise in prices of necessities of life.

They said: "The situation could not have developed all of a sudden, Floods have been ravaging the crops for years, yet nothing tangible has been done so far to control that."

The statement was issued by the Deputy Amir of the Jamaat-e-Islami Pakistan, Maulana Abdur Rahim, the Amir of the Jamaat-e-Islami, East Pakistan, Mr. Ghulam Azam, the General Secretary of the Jamaat-e-Islami, East Pakistan, Mr. Abdur Khaleque, and the Amir and Secretary of the Dacca Jamaat-e-

Islami, Murad and Ghulam Sarwar, respectively.

(**Pakistan Observer,** Dacca)

[Prev. ref. 8096:PAK:G, 8149:PAK: E]

VIET-NAM (DR)

A. **New President And Vice-President Elected:** Hanoi Radio reported on September 24 that Mr. Ton Duc Thang had been unanimously elected President by the National Assembly.

Mr. Ton Duc Thang, who succeeds the late Dr. Ho Chi-minh, was formerly Vice-President.

A total of 361 delegates participated in the election. It added that Mr. Nguyen Luong Bang, formerly head of the control board of the Lao Dong (Communist) Party Central Committee, had been elected Vice-President.

President Thang thanked the members for electing him and, amid thunderous applause, declared that North Viet-Nam would step up its fight against the United States. He urged the Viet-Namese people to be resolute to surmount all difficulties ahead until victory in the war was achieved.

(**The Times,** London and **The Statesman,** *Calcutta*)

[Prev. ref. 9232:VND:A]

VIET-NAM (RVN)

A. **President N. V. Thieu's "Peace Offer:"** President Nguyen Van Thieu said on October 6 that South Viet-Nam was willing to negotiate a "cease-fire with conditions" at the Paris peace talks.

He told a joint session of the National Assembly: "Today we repeat the same calls for peace and the peace offers we have made on previous occasions. And today I declare that we are ready to discuss anything with the other side, including a cease-fire. But it must be discussed and agreed upon before it goes into effect, because we cannot let the Communists take advantage of a cease-fire."

He did not specify what conditions South Viet-Nam would require, but it was the first time he had formally offered to negotiate the whole question with the other side.

This offer represented a significant shift in his public attitude. In previous speeches he had all but ruled out a cease-fire, arguing that the Viet-Cong and North Viet-Namese would exploit any halt in the fighting to improve their position.

He made it clear that South Viet-Nam could not agree to "an unconditional cease-fire" before discussions with the other side. "But when I say discuss, I mean serious discussions between the two sides with the goodwill necessary to end the war."

On the question of further withdrawals of American forces, he said that South Viet-Nam was determined to replace the bulk of the American combat troops by the end of 1970. This would leave about 250,000 American air and artillery support troops in the country.

He said he was confident that the South Viet-Namese forces could replace the Americans if they were given the necessary equipment and weapons. He emphasized that the reduction in American troops should be "commensurate with the appropriate strengthening" of the forces of South Viet-Nam, if they were to avoid disastrous effects to territorial security and the results of the pacification and reconstruction programme.

"Provisional" Government's Criticism:

A spokesman for the South Viet-Namese "Provisional Revolutionary Government" delegation in Paris described President Thieu's offer to discuss a cease-fire as "part and parcel of the manoeuvre undertaken by the Nixon Administration".

This "manoeuvre," he claimed, consisted of "giving out information after information" to appease and mislead American opinion, which was demanding "the rapid and total repatriation of American troops."

(**The New York Times** and **The Times,** London)

[Prev. ref. 9152:RVN:A]

ASIA OUTSIDE ASIA

A. **Russia Launches Three Spacecraft On Joint Mission:** Russia began its most ambitious space mission on October 11 when it launched the first of its troika spacecraft, Soyuz-6 to rendezvous with two more in an experiment involving welding of metals in conditions of deep vacuum.

A **Tass** announcement of the objectives of the mission appeared to suggest that the new **Soyuz** mission—the first Soviet manned flight in more than nine months—might be a prelude to the construction of an orbiting space platform.

It said that a rocket-carrier with the space-ship was launched "with high precision on the calculated orbit." It was piloted by Lt.-Col. Georgy Shonin with Valery Kubasov, a Master of technical sciences, as flight engineer.

The two cosmonauts, at the time of take-off, had no space suits on, but wore comfortable woollen clothes. This was seen as an indication of the progress made by Soviet cosmic engineering in ensuring greater comforts and guarantee against risks within the space-ship.

Tass said that the extensive programme of scientific and technical explorations and experiments planned included:

(1) Complex checking and testing of systems on board and the improved design of the rocket-cosmic **Soyuz** complex;

(2) Further testing of the systems of manual control, orientation and stabilization of the ship in intricate flight conditions and checking of autonomous navigation facilities;

(3) Conducting a great number of scientific observations and photographing geological and geographical objectives of the Earth and also investigation of its atmosphere with the object of testing the methods of using the obtained data in the national economy;

(4) Exploring the physical characteristics of new-Earth outer space; and

(5) Conducting medical-biological investigations of studying the effect of factors of space flight on human organism.

It added: "Various methods of welding metals in conditions of deep vacuum and weightlessness will also be tested by means of unique technology apparatuses in the **Soyuz-6** ship during the flight."

Describing the space-ship, Prof. Alexei Konstantinov, a member of the team that prepared the **Soyuz-6** mission, said that the craft differed from some of its previous versions in that it lacked a docking collar. This appeared to mean that it was not intended to link up with another ship.

At Jodrell Bank (England), Sir Bernard Lovell, Britain's leading space expert, predicted that the Soviet manned space launching could be the beginning of a series that would result in an orbiting space platform. "The establishment of such a platform will have great consequences for the future of space research and deep space exploration."

Second Space Ship Launched:

On October 12, USSR launched a second space ship, **Soyuz-7**, with three men aboard to join **Soyuz-6** which was circling the Earth.

Soyuz-7 was commanded by Lt.-Col. Anatoly Filipchenko (41). Other members of the crew were Flight Engineer Vladislav Volkov (36) and Lt. Col. Viktor Gorbatilo (35).

With **Soyuz-7**, the Soviets placed five men simultaneously in space—the largest number so far to be in space at the same time.

The two vehicles established radio contact within minutes of the blast-off of the second craft from Baikonur cosmodrome in Kazakhstan. An hour after the launching, **Radio Moscow** said the two vehicles were in group flight. They would engage in group exercises.

"Soyuz-8" Launched:

On October 13, two more Soviet space-men were lofted into Earth orbit in **Soyuz-8** to join the five launched earlier in **Soyuz-6** and **7**.

This was the first time that three manned space-craft were **orbiting** the Earth simultaneously.

The two new cosmonauts on board **Soyuz-8** were Col. Vladimir Shatalov and Dr. Alexei Yeliseyev, a scientist, both of whom had flown in the last Russian manned space shot in January.

Rendezvous In Space:

As the group flight by three spaceships with seven men on board continued for the third suspenseful day on October 15, Russia announced that its crews had conducted wide-ranging manoeuvres and tested techniques of piloting orbiting spacecraft "which is necessary in future for the establishment of space laboratories and for ensuring their long-term functioning."

Tass said that **Soyuz-7** and **Soyuz-8** came as close as 500 metres of each other. The rendezvous was observed and registered by the crew of the third ship, **Soyuz-6**.

The close approach made by **Soyuz-7** and **Soyuz-8** made it possible for crew members of the two spaceships to observe each other and carry out communication with the help of light indices. Through the portholes the cosmonauts were reported to have discerned clearly the panels of solar batteries, antennae and other elements of the spaceships.

The **Tass** statement said: "Twice within several hours **Soyuz-7** and **Soyuz-8** flew side by side, passed each other made close approaches. When the distance between them was about 3 km the ships, following the aviation custom, dipped their solar battery panels to each other."

Among the experiments performed were **Soyuz-8's** photography of luminous particles which, **Tass** said, "swarmed after the spaceships in their flight." These particles formed from the exhaust and burned fuel. "Only comprehensive research will make it possible to solve this problem," it said. The tiny crystals "may mislead sensors of automatic stations on their way to the Moon and the planets."

Metal-Welding Experiment:

On October 16, Russian scientists brought their **Soyuz-6** spacecraft safely back to Earth after a unique molecular "cold" welding experiment and left two craft still in orbit.

Soyuz-6, carrying Col. Georgy Shonin and civilian flight engineer Valery Kubasov, was brought down in the Karaganda recovery area of Soviet Central Asia.

The unnamed chief designer of **Soyuz** space-ships was quoted in **Pravda** as saying that ships in orbit were working equipment, not testing out projects. "An important place in the programme of flights of **Soyuz** ships is given to studies of different ways of welding in space. Welding will be used to repair space objects and to assemble parts of orbital stations of the future."

He said that weightlessness and complete vacuum created ideal conditions for industrial production on big orbital stations for producing pure and superpure metals. It was possible that space vacuum would serve to develop space chemistry and help check some diseases.

Welding experiments were carried out within **Soyuz-6** which carried special equipment in its orbital compartment. Before welding started, the ship's commander closed the hatch leading to the ship's cabin and at the 77th orbit depressurized the orbital compartment. After a high vacuum was created, Flight Engineer Kubasov switched on the welding equipment. Several types of automatic welding were tried. Then the orbital compartment was pressurized again and welded metals taken to the cosmonauts' cabin.

Space-crafts Return Safely:

On October 17, three more cosmonauts aboard **Soyuz-7** returned safely to Earth.

Soyuz-7 made a flaming re-entry into the atmosphere around noon, popping its parachute and floating to a soft on-target landing a mere 25 km. from the place where **Soyuz-6** landed the previous day.

Moscow Radio said the mission of **Soyuz-7** had been "successfully completed." It included a "vast programme of scientific, technical, medical and biological research."

The last pair of cosmonauts aboard **Soyuz-8** returned to Earth on October 18.

One of **Soyuz-8's** last experiments was a communications exercise between the flight control centre and the spaceship through the Atlantic-based ship Cosmonaut Vladimir Komarov and the communications satellite **Molniya-1**. It was carried out at a time when the spaceship was outside the zone of radio visibility from Soviet territory. The experiment was successful.

Tass stated that while the three ships did not dock in space, their crews practised rendezvous and group flight techniques. The seven spacemen had brought back vital information "which will enable us once again to storm the cosmos, and to fly higher and further for the benefit of our fatherland and the whole of mankind."

The experiments of the three spaceships were aimed at the future construction of an orbital station. The cosmonauts welded metals in space, a technique considered essential to future space construction. Other experiments included aerial photography and observation.

A scientist disclosed that the seven cosmonauts ate plastic-packed bread cubes, chicken, prunes and steaks during their space sojourn. They ate four meals a day.

Re-appraisal Of Soviet Space Programme Forecast:

A despatch from Moscow on October 20 indicated the possibility that the **Soyuz** troika flight may have started re-appraisal of the Soviet space programme leading to a new emphasis on unmanned spaceships.

The Soviet Press took to extolling unmanned flights as just useful in obtaining scientific information and preferable because no risk to human life was involved.

If all had gone well with the **Soyuz** troika and if it had produced a big leap forward, more manned flights could have been expected in the near future, with perhaps launchings to the Moon or planets from an orbiting platform.

Space authorities at the Baikonur cosmodrome had, however, used interviews with the Soviet Press to advocate going ahead with manned flights and construction of a space station. This had the look of a defensive manoeuvre.

The chief designer of spaceships, always unidentified for security reasons, said: "No matter how perfect an automatic equipment and how high the level of automation, it is the man whose decisions are most important."

Another space authority, identified only as a "leading specialist," insisted that "the building of orbital stations is the central problem of cosmonautics today." "Extra-terrestrial laboratories will have to be first built on Earth, then dismantled and taken into orbit and fitted together into a single whole."

The chief designer endorsed this view, emphasizing the importance of welding in space, which was tried for the first time in **Soyuz-6**. "Welding in space holds great promise. Orbital space stations would be constructed in the next few years."

(Tass, Moscow Radio, The Times, London and **The Times of India,** New Delhi)

[Prev. ref. 8785:AOA:B]

B. Russia Launches "Intercosmos-1:" The Soviet Union launched on October 14 a new artificial satellite named **Intercosmos-1** which joined the orbiting space laboratory and radio-astronomical observatories of East European countries in a large-scale probe into the *mysteries of the Sun.*

The satellite was named after an apparently new body formed to encompass space experiments of the Soviet Union and its European partners. Academician Boris Petrov was named Chairman of the Council for International Co-operation in the Field of Exploring and Studying Outer Space (Intercosmos).

Tass said that **Intercosmos-1** was intended for studying the Sun's ultra-violet and X-ray radiation and the effect of such radiation on structures of the Earth's upper atmosphere.

(Tass and **The Times of India,** New Delhi)

[Prev. ref. 8105:AOA:H, 8785:AOA:B]

C. Withdrawal Of Soviet Warships From Mediterranean: In a surprise move on October 16, Russia pulled the bulk of her warships from the Mediterranean.

The Soviet fleet, which had been built up to an unprecedented strength of 55 to 60 units only a few weeks earlier, was reduced suddenly to a token presence in the strategic area.

No reason was given, nor was any announcement made by the Russians. The move was carried out quietly, but was shadowed by Allied air and naval units.

Western experts said they assumed that Russia was pulling the units back to Soviet ports perhaps for the Winter unless they were being shifted to other undisclosed destinations.

Latest reports said that Russia now had about 10 to 12 warships in the Mediterranean, apparently one of the smallest concentrations there in recent times. The bulk of the bigger ships had been pulled out, but some submarines had been left in addition to about 14 supply ships which would enable the Russians to move their warships back fast if they wanted to.

(The Times, London)

[Prev. ref. 8738:AOA:D]

D. Mr. Willy Brandt Elected Chancellor In West Germany: Mr. Willy Brandt was on October 21 elected as Chancellor of West Germany, the first Social Democrat to head the Government in the 20-year history of the post-War Republic.

The Bundestag (Lower House of Parliament) voted Mr. Brandt (55) into power at the first ballot, sending the Christian Democrats into Opposition for the first time. Mr. Brandt's coalition of Social Democrats and Free Democrats gave the Socialist leader 251 votes, only two more than the required absolute majority of 249. The Christian Democrats mustered 235 votes against Mr. Brandt. There were five abstentions and four invalid ballot papers.

A burst of applause went up from the Socialist benches when the Speaker, Mr. Hassel, gave the result and Mr. Brandt formally announced that he accepted his election as West Germany's fourth Chancellor.

Mr. Brandt later told a television interviewer: "I am satisfied and grateful for the trust placed in me and quite frankly I am a little proud that I can now carry out this high office.

"I ask my friends in Parliament and in the country to help us to do what must be done for our Federal Republic over the next four years."

Dr. Kurt Georg Kiesinger, the out-going Chancellor, said the new coalition would be in a very difficult position, faced with the strongest Opposition the West German Parliament has ever had.

New Cabinet:

On October 21, Mr. Willy Brandt announced the following Cabinet appointments for his Government of Social Democrats and Free Democrats.

Chancellor—Mr. Willy Brandt (SPD);

Foreign Affairs—Mr. Walter Scheel (FDP leader);

Economics—Mr. Karl Schiller (SPD);

Defence—Mr. Helmut Schmidt (SPD);

Justice—Mr. Gerhard Jahn (SPD);

Finance—Mr. Alex Moeller (SPD); and

Labour—Mr. Walter Arendt (SPD).

The Soviet newspaper **Izvestia** carried a profile and photograph of Mr. Brandt and stressed that Mr. Brandt had fled into Scandinavian exile in 1933 after Hitler came to power. Western observers saw this as another sign of the importance Moscow attached to the change-over in Bonn.

(The Times, London and **The Statesman,** New Delhi)

E. Security Council Elections: On October 20, Syria was elected to the UN Security Council.

Syria's election came despite its repudiation of the Council's November 22, 1967 unanimous resolution establishing guidelines for a West Asian peace settlement.

Four other States were elected in the secret balloting: Poland (by 121 votes), Burundi (118 votes), Sierra Leone (117) and Nicaragua (103). Syria received 101 votes. The required majority, two-thirds of the 126-member States present and voting, was 84.

Poland was the nominee of the Soviet bloc to succeed Hungary.

The new members will take office, each for a two-year term, on January 1, 1970, filling vacancies created by the withdrawal on December 31 of Algeria, Hungary, Pakistan, Paraguay and Senegal.

From January 1 the Security Council will consist of USA, Russia, Britain, France, Formosa (all permanent members), Burundi, Colombia, Finland, Nepal, Nicaragua, Poland, Sierra Leone, Spain, Syria and Zambia.

As the election was being held, about 100 demonstrators outside UN protested against the continued detention in Damascus of two Israelis from a US jetliner, hijacked to the Syrian capital last August.

Earlier, the Israeli Foreign Minister, Mr. Abba Eban, had said in Jerusalem that if Syria was elected

Israel would have to re-examine its attitude towards UN. He added: "It is an aberration that a country which, by detaining two Israeli nationals, has made itself accomplice to an act of international piracy, should be elected to the Security Council."

Elections To ECOSOC:

On October 20, Ceylon was elected to the UN Economic and Social Council (ECOSOC) for a three-year term from January 1, 1970.

Ceylon's election came on the fifth ballot. In the four earlier ballots, Ceylon was leading but was tied by Lebanon and failed to secure the required two-thirds majority. Just before the fifth ballot, however, Lebanon announced its withdrawal in favour of Ceylon, which then secured on that ballot 104 out of 108 votes cast.

Ceylon was one of nine countries elected to the ECOSOC. The others were: Peru, Brazil, Ghana, Kenya, Tunisia, France, Italy and Greece.

(UN Newsletter and **The Times of India**, New Delhi)

[Prev. ref. 8103:AOA:B, 8663:AOA:B, 9202:AOA:E]

F. Aga Khan Weds: The Aga Khan (32), spiritual leader of 20 million Ismaili Muslims, married in Paris on October 29 an English woman, Lady James Crichton-Stuart.

The bride—first named Sarah Frances—had married Lord James Charles Crichton-Stuart, an English nobleman, in 1959. The marriage was dissolved in 1967.

Lady James was born in New Delhi in 1940 and spent her early childhood in India. Her father, Lt.-Col. Arthur Croker Poole, served in the Indian cavalry throughout his military career. When he retired in 1946, the family moved to England and a life of farming in Berkshire.

(**The Times**, London)

G. New Planet: It was disclosed in New York on October 22 that a team of Cornell University astronomers had discovered what it believed may be a planet the size of Earth in the vicinity of another star.

The planet was believed to be rotating round a pulsar or neutron star about 6,000 light-years away. The pulsar, in the Crab nebula, had been observed to have a slight variation in its pulsing. This variation occurred at three-month intervals and amounts in a variation of about 110,000th of a second.

(**The New York Times**)

[Prev. ref. 5806:AOA:A]

H. Czech Government Resigns—Communist Party Purges: The Czechoslovak President, Mr. Ludvik Svoboda, accepted the resignation of the Prime Minister, Mr. Oldrich Cernik, and his Government in Prague on September 27.

President Svoboda immediately entrusted Mr. Cernik with the formation of a new Government.

The resignation announcement followed a crucial two-day meeting of the Czechoslovak Communist Party Central Committee called to decide the political fate of the former liberal leader, Mr. Alexander Dubcek, and other progressives.

Earlier, the Communist Party purged various Dubcek era figures from the party and the Government.

The Party's Central Committee ended its two-day session of probing into alleged errors of the past after approving a resolution "on organizational and personnel problems."

A Minister of the Czech State Government said that there had been sweeping personnel changes in the party and the Government and virtually confirmed that the former Party chief, Mr. Dubcek had been further downgraded. Mr. Dubeck had remained a member of the Presidium after losing the First Secretary post to Mr. Gustav Husak last April. The latest session apparently removed him from the 11-man Presidium.

Gen. Vaclat Prchlit was ousted as political chief of the Army after he had criticised the Warsaw Pact set-up and was expected to lose the Central Committee post as well.

Those purged from the Central Committee were Mr. Smrkovsky, Mr. Hajek, Mr. Milan Hubl, former head of the party's Political University, Mr. Hjaroslav Kpadiva, head of the Charles University Philosophical Faculty, the Agriculture Minister, Mr. Josef Boruvka, Mr. Josef Macek, Director of the Historical Institute in the Czechoslovak Academy of Sciences, Mrs. Marie Mikova, Deputy Chairman of the Lower House of Parliament, Mr. Zdenek Mlynar, Presidium member during the Dubcek era, Mr. Bohumd Simon, former Prague city party chief, Mr. Vaclaf Slavik and Mr. Josef Spacek former Presidium members, and Mr. Zbynek Vokrouhlicky, who recently resigned as the head of the Czechoslovak youth union.

A party **communique** said that 25 persons addressed the session in the Prague Castle and the discussion had "helped clarify past developments and future orientation of party work." The 25 were in addition to Mr. Dubcek's successor, Mr. Gustav Husak, who made the opening report and recommendations and also delivered a final speech.

Mr. Dubcek was 17th of the speakers listed. In answering the charges against him, it was not known to what extent he defended himself and how far he went in admitting errors. He had been reliably reported unwilling to perform the traditional Communist ritual of self-criticism, in which an official about to be purged reads a script edited by his critics.

The session approved the Presidium report on the political situation and further party tasks. **Prague Radio** said it had also approved a resolution on organizational and personnel questions.

(**Radio Prague, Ceteka** and **The Times**, London)

[Prev. ref. 8760:AOA:A]

I. Nuclear Non-Proliferation Treaty Ratified By 20 Countries: It was disclosed at the 13th General Conference of the International Atomic Energy Agency in Vienna on September 23 that so far 91 countries had signed the Nuclear Non-Proliferation Treaty, but only 20 had ratified it.

Regretting that the Treaty had not yet come into force, the Agency's Swedish Director-General, Mr Sigvard Eklund, pointed out that it could only become effective after it had been ratified by 93 countries, including the three "founder members"—Britain, USA and the Soviet Union. Of the three, only Britain had so far ratified the Treaty.

Meanwhile, the undertakings contained in the Treaty's Fourth and Fifth Articles remained in suspense.

Under Article Four signatories belonging to the "nuclear club" undertake to assist ratifying non-nuclear nations in creating sources of atomic energy for peaceful purposes. The Fifth Article gives the Agency power to check on the application of the Treaty and in particular on any nuclear explosions carried out by American, Soviet or Soviet-American teams in developing countries with the object of extracting natural resources or aiding engineering projects.

Describing the past year as the "year of the non-nuclear countries," Mr Eklund emphasized the importance of the recent Treaty banning nuclear arms in 13 Latin American countries. The Agency was given the role of supervising the application of this Treaty, but a bilateral agreement had to be concluded between the Agency and each of the countries concerned. So far only Mexico had concluded such an agreement with the Vienna-based Agency.

(**The Times of India**, Bombay and **The Times**, London)

[Prev. ref. 8350:INI:C, 8688:ISR:B]

J. Shah Reza Pahlevi Awards: At a ceremony held at the Paris headquarters of UNESCO on September 8—International Literacy Day—the Shah Mohammed Reza Pahlevi Prize for outstanding work in adult literacy was presented to the Cambodian National Technical Committee for Literacy.

By unanimous decision of the selection jury, the $5,050 Prize, donated by the Shah of Iran, went to the Cambodian Committee for "massive efforts and remarkable results" in a campaign to promote adult literacy and ensure participation in national development.

Volunteer workers including Buddhist monks, soldiers, civil servants and students, took part in the campaign, which was supported by radio broadcasts and involved a million pupils meeting at the homes of local leaders, in pagodas or in the open air. The pupils contributed such things within their means as chalk for blackboards and oil for lamps and in the four years of the campaign a third of them had gained their primary certificates of literacy.

The jury also made honourable mention of seven institutions and one individual. He was Rev. Charles T. Hein, an American pastor working in Togoland. His remarkable scientific work had "benefited several African countries and he had taken a direct part in the training of nearly a thousand literacy instructors."

Institutions commended included the Summer Institute of Linguistics, Australia, for work among 500,000 illiterates in Papua (New Guinea,) and the Bombay Social Education Committee for decisive contributions to making 522,000 adults literate.

Two institutions praised for their work among women were the Nepal Women's Organization for integrating literacy work into the national development effort and the Pakistan Girl Guides' Association, which in ten years had set up a net-work of 82 literacy centres.

Systematic work in the Bambara tongue won mention for the Technical Commission of Bambara in Mali which took part in a pilot project in functional literacy, while the Tunisian Institute for Adult Education was commended for launching a national programme using experimental methods. Pioneer work also won mention for Belgrade Television, Yugoslavia, which had made a "remarkable contribution" to audio-visual methods.

(**UN Newsletter**)

K. New Chemical Element: American scientists have discovered a new chemical element—the heaviest known to man.

The unnamed element is No. 104 in the Periodic Table, and is highly radio-active. It falls in the same family of metals as titanium, zirconium and hafnium.

University of California physicists, using a machine called a heavy ion linear accelerator, created two—and possibly three—isotopes of the element. Isotopes 257 and 259 of Element 104 definitely had been identified, and isotope 26 may have been discovered.

An isotope is one of two or more "kinds" of atoms which have the same chemical properties but differ in atomic mass and in certain physical characteristics.

(**The New York Times**)

[Prev. ref. 8977:AOA:E]

L. Underground Nuclear Test By USSR: The Russians staged an underground nuclear test in the Arctic island of Novaya Zemyla on October 14, but experts differed over whether it was the most powerful yet.

The blast had probably a yield of five megatons.

The Seismological Institute in Upsala (Sweden) issued a bulletin saying that the explosion recorded 6.3 on the Richter scale. The Stockholm Institute'e Prof. Arne Bffierhammar retorted that the blast was nearer 7.2. He maintained that the explosion was the largest underground one ever recorded.

(**The Times**, London)

[Prev. ref. 5486:AOA:A, 8751:CHI:A]

M. Russian And US Maritime Strength: A Times of India despatch in the second week of October analysed the comparative maritime strength of the two Big Powers—USA and the Soviet Union.

It said that the Russian merchant marine, which in 1950 had comprised only 432 ships aggregating 1.9 million deadweight tons, now had more than 1,500 ships and was expected to total 14 million tons by the end of 1970—a sevenfold increase in tonnage. By the end of 1980, the Russians expected to have a tonnage of 24 million.

The Russians seemed to proceed on the premise that the scope of international shipping would increase from 2 billion tons today to 3 to 3.5 billion tons by 1980. They intended to have enough ships on hand to tackle more than their share of the international cargo and were adding about 100 ships a year to their merchant fleet.

The Japanese had even bigger ambitions. Along with the Russians, the Japanese had prescribed that their merchant marine should carry 60 per cent of Japan's exports and 70 per cent of its imports by 1975. To meet this target they planned to have 2,050 ships of 29 million tons by 1975.

In sharp contrast, the American merchant fleet, which in 1950 had comprised 1,900 ships totalling 22 million tons, at the beginning of this year consisted of only 1,033 active ships of 15.8 million tons—a 45 per cent decrease in the number of ships and a 28 per cent drop in tonnage. Further contractions in the US shipping fleet were expected during the next 18 months.

What was even more ominous, while 80 per cent of the Soviet shipping fleet today was less than 10 years of age, nearly the same proportion of the American merchant fleet was 20 years of age or older. In naval matters, according to Admiral Thomas S. Moorer, US Chief of Naval Operations, "the United States no longer enjoys clear-cut military and technological superiority. By any measuring stick they (the Soviets) are today the second largest sea Power in the world. In a mere 10 years, the Soviet Union with dedication of purpose, huge outlays of funds and with priorities equivalent to or even surpassing their space programme, has transformed itself from a maritime nonentity to a major sea Power".

(**The Times of India**, New Delhi)

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BRUNEI

A. Suspension Of Public Accounts Committee: The Sultan, by an Order issued under the Emergency Regulations recently, suspended the Public Accounts Committee.

The suspension order came suddenly. The Committee's first report was submitted last year. It had called to testify before it top Government officials including men of the Royal Brunei Malay Regiment.

According to reports, the Government did not appreciate the idea of "outsiders" looking too closely at its defence spending.

When the matter was referred to the Attorney-General, he ruled that the audit department had no power to audit the pay and allowances of seconded personnel in the Army. The Committee, for its part, asked the Auditor-General to ascertain his exact powers from the Government.

Brunei had been without a State Auditor after the last holder of the post, Mr. John Lee, was promoted as State Financial Officer.

The Public Accounts Committee was established a year ago. It consisted of five local businessmen, all members of the Legislative Council. It was a select committee appointed by the Council in accordance with the Constitution. The Committee had been looking into the 1968 accounts since the middle of this year when the suspension order came from the Sultan. The decision to suspend the entire Committee rather than exclude the Army from its purview, for example, made the episode somewhat mysterious.

Meanwhile, oil revenues are soaring. Brunei is not only recovering its former affluence but is heading for higher and higher riches. Its oil and natural gas royalties make up the bulk of its revenue, expected this year to reach a record $70 million, approximating to over $540 per head of the 130,000 population.

(Far Eastern Economic Review, Hong Kong)

[Prev. ref. 8871:BRN:A]

BURMA

A. Thai Asylum To U Nu: Bangkok reports on October 26 quoted a senior Thai official as saying that the Government had granted political asylum to the former Burmese Premier, U Nu.

The official said that the grant of asylum would be "subject, naturally, to the usual conditions that he does not engage in political activities against the Burmese Government while he is in Thailand."

He said: "The Government of Gen. Ne Win is a friendly Government and we do not want to be involved in any political moves against it. But, U Nu is a respected statesman and he knows that political asylum is granted on condition that he is forbidden to involve himself in political affairs. I am sure he will respect it and not embarrass his hosts."

[The 62-year-old former Premier was on a world tour seeking support to overthrow Gen. Ne Win. There had been mounting speculation that he was preparing to denounce the Ne Win Government and to establish himself as the linchpin of a national challenge to its authority. He was recently quoted as having denounced the Ne Win Government as "a fascist **regime.**" U Nu had already made a constitutional challenge to Gen. Ne Win in the form of a minority contribution to the debate carried on earlier this year by the National Unity Advisory Board. He demanded a return to parliamentary democracy to be achieved after Gen. Ne Win had handed the leadership back to U Nu, with instructions to organize elections. Gen. Ne Win had flatly rejected the plea.]

(The Statesman, Calcutta)

[Prev. ref. 9193:BUR:A]

INDIA

SUMMARY: IPU Conference; Congress Party Crisis; Khan Abdul Ghaffar Khan In Gujarat; Mr. D. S. Pheruman's Death.

A. IPU Conference: The 57th Conference of the Inter-Parliamentary Union (IPU) was inaugurated in New Delhi on October 30 by the President of India, Mr. V. V. Giri. Delegates from 69 countries attended.

In his inaugural speech, Mr. Giri said: "To one like me dedicated to the ideal of One World, this august assembly of parliamentarians from all over the globe is an affirmation of faith in an emerging world order. In spite of the chaos and confusion that we face today, I firmly believe that the world is groping towards unification and one can perceive, perhaps dimly, the birth of a world without war and without hunger."

He added: "Mankind is today facing the grim alternatives of annihilation or survival, and I am sure we have enough wisdom left in us to choose the right path."

The Vice-President of India, Mr. G. S. Pathak, in his speech said that IPU's importance "is enhanced by the fact that unlike United Nations, where the delegates represent their respective Governments, the expression of views in the conference of this Union is free and more independent."

The President of the Conference and Speaker of India's Lok Sabha, Mr. G. S. Dhillon, pointed to the widening gap between the rich and the poor nations and said that this was a danger to peace, which was today imperilled in several parts of the world and especially in Asia, which is "shaken by violent political tremors."

He added: "The worst threat to peace is the possibility of a division of mankind into two irreconcilable parts, so far removed from each other that no amount of goodwill, tolerance or compassion can hope to bring them together without being suspect of each other—a division into those who master nature, share out the world's riches among themselves and set out for the Moon and the stars, and those who remain fettered in their inescapable poverty and the darkness of ignorance."

Mrs. I. Gandhi's Address:

On October 31, India's Prime Minister, Mrs. Indira Gandhi, in an address, asked the IPU Conference to find an answer to the question whether international aid was to be part and parcel of genuine international co-operation or was it to remain primarily an instrument of the national policies of the donor-countries.

She said that India would like to see the whole pattern of international trade and aid "in a new perspective of international co-operation". As at present conceived and administered, such aid had produced disenchantment among recipients and donors alike.

India recognized that transfer of capital and technological resources from the developed countries to the developing could be a means of accelerating development. But, the terms of such transfer and the concepts governing aid and development needed closer scrutiny.

She hoped that the publication of the report of the committee presided over by the former Canadian Prime Minister, Mr. Lester Pearson, would provide an opportunity for a wide-ranging debate on the subject of aid for development.

She reminded them that unlike the Western world, where the social and economic revolution had been a "step-by-step process", in India several revolutions—political, economic, social, intellectual and technological—were taking place simultaneously and peacefully, although not always without creating an *atmosphere of confrontation and crisis*.

She spoke in this context of the reports "you read in your newspapers and ours of our great poverty, of our regional rivalries, of our student agitations, of religious riots and so on." All these conflicts, she admitted, were there, as indeed they existed in one form or other in most countries. Some of them were due to historic causes, some due to the tension unavoidable in a developing and changing society.

"But compared to the judgment and self-restraint shown by our people in matters related to the substance of Government, these disturbances are peripheral. The heart of India is strong and its limbs sturdy." It was true that mistakes had been made. But they were inevitable when so much was undertaken and on such an enormous scale "in conditions not experienced elsewhere."

Resolutions:

The Conference ended on November 7 after passing six resolutions.

However, India made known its objections to a resolution which, among other things, urged parliamentary groups to bring their influence to bear upon their Governments, through their Parliaments, "to sign and ratify the Nuclear Non-Proliferation Treaty where it has not already been done."

Another resolution urged all Parliaments to search for new ways of promoting international cultural exchanges and requested that, in the development of communication satellites great cultural events, wherever they might take place, be given high priority as subjects to be made available to nations everywhere with the conviction that international peace and security would thereby be strengthened.

Yugoslavia scored a point at the concluding plenary session by getting adopted, unanimously, a resolution that delegations to the 25th General Assembly of United Nations be at the level of Heads of State or Government.

Another resolution noted that the constant role of the IPU was to oppose actions aimed at imposing, by force of arms, threats, economic pressure and other means, the political will of one State upon another, and called upon parliamentary groups to express to their respective Governments and Parliaments their strong support of the foregoing principle. It also called upon Parliaments to promote the development of regional co-operation.

The resolution on chemical and bacteriological weapons called upon Governments to consider the question of the prohibition of the production of such weapons and the conclusion of a Convention for effective international control. It appealed to all Parliaments to take legislative and other steps aimed at securing the effective and general prohibition of chemical and biological weapons.

Another resolution called upon all Parliaments to stress the importance, among other things, of the following social objectives and policies: "that all men and women have the right to adequate means of livelihood, with equal pay for equal work; that the distribution of the material resources of the community is done in such a manner as best to serve the common good and promote social justice, and that formulation of demographic programmes have a direct impact on raising the standard of living and promotion of the welfare of the community."

IPU Report—UAR Walk-Out:

The IPU session began in New Delhi on October 29 with the United Arab Republic delegation walking out of the IPU Council's meeting.

The UAR Parliamentary group, led by Dr. Labib Shukair, had earlier objected to certain observations in the report of the Secretary-General of the IPU dealing with the Arab-Israeli crisis.

Dr. Shukair had to be called to order by the President of the IPU, Mr. Andre Chandernagor, when he (Dr. Shukair) insisted on speaking on the subject even after the Council had voted to defer a debate on the Secretary-General's report until the plenary session of the IPU which was to be inaugurated by the Speaker of the Lok Sabha, Mr. G. S. Dhillon, next day (October 30).

The UAR's objections to the observations of the Secretary-General, Mr. Andre de Blonay, as stated in a document circulated to the IPU delegates, were, briefly:

(1) The reference to "the Armistice Agreements enforced by UN to put an end to the hostilities which broke out between Israel and its Arab neighbours is misleading," inasmuch as there were "no Armistice Agreements between Israel and its Arab neighbours except the Conventions of 1949 which Israel has disregarded and declared to be dead and buried." Thus, the use of the words "Armistice and Armistice Agreements" could only serve the Israeli cause which aimed at stabilizing the cease-fire lines with a view to imposing and legalizing Israel's **fait accompli** in the occupied Arab territories.

(2) The use of the word "terrorists" in describing the El Fatah organization was objected to by UAR.

(3) The description that the activities of the Fedayeen "take the form of bomb attacks, sabotage and guerrilla operations" was also objected to by UAR.

(4) The report used the phrase "the Jerusalem Government" when speaking of "the Israeli Government." This was also objected to by UAR.

(5) The reference in the report to "the new factor of USSR appearing on the scene as the avowed protector of the Arab peoples" was also objected to by UAR as being "biased and false."

(6) UAR objected to the "insinuation" contained in the report that no settlement of the Arab-Israeli question was possible "unless the parties to the conflict meet around the conference table."

When the discussion on the report went on for more than an hour, the line-up generally being the Arab countries and the Soviet bloc being on the side of UAR, and the West, notably Britain and USA, supporting the view that the debate on the report should be deferred, the delegate of Britain moved that further debate be postponed until the plenary session. It was seconded by USA.

The voting on the motion was 65 in favour of postponement, four against, and 17 abstentions.

Each delegation had two votes. Nepal cast one vote in favour of postponement; the other was "abstain."

The motion before the IPU Council was that the reports of the Secretary-General on the political situation and on the administration of the bureau be communicated to the plenary session.

Indian Objections:

As soon as the Conference re-assembled in the afternoon after its inauguration in the morning, India's Lok Sabha Deputy Speaker, Mr. R. K. Khadilkar, Deputy Leader of the Indian delegation, went up to the rostrum to record his protest against certain observations pertaining to India which he regarded as objectionable. The Lok Sabha Speaker, Mr. G. S. Dhillon, who had taken over as President of the Conference, however, did not permit Mr. Khadilkar to proceed with his speech.

Later interrupting the proceedings, Mr. Khadilkar rushed to the microphone and started speaking. Before he could be persuaded to withdraw, Mr. Dhillon had to raise his voice several times asking him to return to his seat as his name was not among the list of speakers.

Subsequently, the Secretary-General assured the Conference that he would circulate amendments to those portions of the report to which the Indian delegation had taken exception.

As an instance of factual incorrectness in the report, it was pointed out that in the later years of Mahatma Gandhi's life, according to the report, the Congress Party had become "sharply divided on the question of relations between the Muslim and Hindu communities. Mahatma Gandhi attempted by repeated fasting and appeals to heal these differences within the party and restore the unity of the movement which incarnated all hopes for freedom, but the communal struggle which ultimately made inevitable the division of the sub-continent on a religious basis between India and Pakistan was to destroy all these hopes."

Another passage which caused disquiet was a comment that Parliament and the Council of Ministers were so dominated by the Prime Minister, Mr. Jawaharlal Nehru that "the legislature was rarely in a position to arraign the executive even if it so wished."

Four Countries Suspended:

On October 29, IPU suspended the membership of Pakistan, Libya, Sudan and Somalia in view of the dissolution of Parliament in these countries following **coups d'etat.**

The decision to suspend these countries was unanimous.

In the morning session of the Council, the Lok Sabha Speaker, Mr. G. S. Dhillon, was elected President of the Conference.

The Council also decided to postpone the issue of admission of North Korea and East Germany until a working group submitted a report on it. This was decided by voting on a Venezuelan resolution. The voting was 60 in favour and 22 against. India voted against the resolution.

IPU Budget:

According to IPU Budget estimates placed before the Conference, IPU anticipates a deficit of 74,612 Swiss francs during 1970.

In their report on the budgetary position, the IPU President, Mr. Andre Chandernagor, and the Secretary-General, Mr. Andre de Blonay, said: "Once again the financial situation of the Union is jeopardized by an unfortunate conjunction of economic and political factors. The former affect the level of expenditure necessary for implementing the traditional work programme as it has developed over the years.

"Thanks to the generosity of those national groups who play host to the Union, it has been possible to stabilize more or less the costs of the two sessions convened by the Union every year, although the salaries and allowance for temporary personnel have risen."

The report noted that wherever a Parliament had been dissolved, suspended or suppressed, the national group not only ceased to participate in the activities of the organization but also to make its financial contribution. This was a hazard which no other international organization had to face; it was a heavy burden on IPU's financial administration.

It added: "Some years ago, there were 76 active national groups. Today, there are no more than 69, and recent events will cause a further shrinkage as, at New Delhi, the Council will once again have to suspend the affiliation of several groups."

According to the estimates, IPU receipts would be 736,388 Swiss francs and its expenditure 811,000 Swiss francs, leaving an uncovered deficit of 74,612 Swiss francs.

(The Statesman, The Times of India and The Hindustan Times, New Delhi)

[Prev. ref. 5493:AOA:H]

B. **Congress Party Crisis—Stalemate Reached:** The factional fighting within the Congress seemed on November 9 to have come to a stalemate, with neither side willing to make any concessions. At a news conference on November 8, the Prime Minister, Mrs. Indira Gandhi, made it quite clear that no purpose could be served by any further meetings with the Congress President, Mr. S. Nijalingappa, after their luncheon meeting on November 7.

The main reason for the failure of this meeting was understood to be the insistence of Mrs. Gandhi's group to seek Mr. Nijalingappa's removal from the Congress Presidentship within the shortest possible time—preferably before the end of 1969. When Mrs. Gandhi raised the question of the three members dismissed from the Working Committee (see page 9242), Mr. Nijalingappa replied with the suggestion that there was a feeling among his friends that the five dismissed Ministers should also be re-instated in the Cabinet. Mrs. Gandhi expressed her reluctance to do so. Later, at her news conference, Mrs. Gandhi denied that the current crisis in the Party involved a struggle for power and a clash of personalities. She had nothing against Mr. Nijalingappa personally, "but when they try to throw out certain people, this sort of situation will arise", she added. "I had a cordial talk with Mr. Nijalingappa. But they are determined to cause a split in the party. They want to throw out a large number of people from the Congress. This is not our intention".

When asked for clarification, she replied: "I have always tried to work with people with whom I have differences, even with my opponents, but when they try to push people out, then the situation is different". The present critical situation, she said, "is not of our making. It has been building up over many years, due to different attitudes, lack of a spirit of accommodation, ets." It was due basically to a difference in outlook. Unless the Congress Party became more democratic at all levels and was willing to fight for its ideals and aims, it would not long survive. The world had changed, but not so the Party, which was why it did not occupy the hearts of the people.

She denied that she had violated the Party constitution in requisitioning a special A-ICC session. The constitution of the Party, she claimed, was not an end in itself. It had been framed to help the party work effectively. When the necessity arose, it could be adjusted to ensure the Party's smoother functioning.

She denounced those who called her a dictator. "The people who are dictators are those who are sending other people out of the Congress." She also termed as "malicious" the campaign aimed at insinuating that she was "going Communist".

Ever since the Bangalore sesion of the A-ICC (July, 1969), events had moved swiftly, with each side moving inexorably towards the present confrontation. The dismissal of Mr. Morarji Desai from the Central Cabinet, the "conscience vote" during the Presidential election leading to the defeat of the Congress candidate, Mr. N. Sanjiva Reddy, the nocturnal exchange of letters by the Syndicate and the Prime Minister followed by the dismissal of four more junior Ministers by the Prime Minister and the dismissal of Mrs. Gandhi's supporters from the Congress Working Committee by Mr. Nijalingappa, further aggravated the crisis. A letter sent to her by Mr. Nijalingappa on October 31 contained the severest yet indictment of her "anti-party" activities and of the failure of the Government to implement the economic programme. It particularly found fault with her for not obeying the A-ICC mandate to scrap the privy purses and privileges of the princes. Mr. Nijalingappa charged her with taking personal credit for the Party decision in favour of bank nationalization and repeated the charge of indiscipline and splitting the Party.

On November 1, Mrs. Gandhi and her supporters decided to boycott the Congress Working Committee session in New Delhi that morning, and held their own Working Committee meeting. Mr. Nijalingappa then dropped Mr. Fakhruddin Ali Ahmed and Mr. C. Subramaniam from the Working Committee, which later warned Mrs. Gandhi's camp that the latter's decision to call a parallel meeting of the A-ICC in Delhi on November 22 was unconstitutional. It declared that no one other than the A-ICC officers could call for an A-ICC meeting.

In yet another letter to Mrs. Gandhi on November 3, Mr. Nijalingappa accused her of indulging in "intrigue and disruption", with the threat that her actions, which amounted to "an unpardonable act of gross indiscipline" and a flagrant violation of the Party constitution, may lead to "far-reaching consequences". He asked her to turn from the "brink" and added: "You seem to have made personal loyalty to you the test of loyalty to the Congress and the country. All those who glorify you are progressives, but those who are loyal to the organization and its policies are reactionary and disloyal. The baits and threats that the Government can use are being used freely and openly to secure regimentation and personal loyalty. All this creates the impression that in your scheme of things there is no place in the Party or Government for any one who differs even slightly from your personal views and likes and dislikes". He expressed the fear that this pattern may lead to "one-man rule in the organization and Government and not to the strengthening of democratic socialism."

In her reply on November 3, Mrs. Gandhi rebutted all these charges and said she saw nothing wrong in the requisition move, particularly when a majority of the A-ICC members felt that it would be in the interests of the organization to hold the election for a new President at the end of Mr. Nijalingappa's normal term.

Next day, on November 4, Mr. Nijalingappa served a "show cause" notice on Mrs. Gandhi enquiring as to why disciplinary action should not be taken against her for organizing a parallel A-ICC session. This was seen as a sign that the unity moves had finally been abandoned and a split in the Party was a matter of days. Mrs. Gandhi reacted strongly and said that it was "unfortunate, if not hypocritical" for him to charge her with serious breach of Party discipline. She refused to give an explanation of the charges levelled against her and maintained that she had done nothing illegal or improper.

At this stage, two States' Chief Ministers—Mr. M. L. Sukhadia and Mr. B. P. Chaliha—initiated efforts to bridge the gulf, but they gave up on November 3 when they failed to discover any meeting ground between the two leaders. Also, on November 4, Mr. Ram Subhag Singh resigned from the Central Cabinet at the Prime Minister's request, as he had refused to "toe her line" in the current crisis. He had also attended the Working Committee meeting called by Mr. Nijalingappa "as a disciplined Congressman."

The Mysore Chief Minister, Mr. V. Patil's subsequent efforts to bring about a meeting between Mrs. Gandhi and Mr. Nijalingappa raised some hopes of a **rapprochement,** but these were dashed after the two leaders met on November 7 at lunch and Mrs. Gandhi cancelled another meeting which was due to take place the same night.

As things stood, a break-up of the Congress Party seemed irrevocable when Parliament re-assembled on November 17.

The present party position in the Lok Sabha is: Congress (282), Swatantra (42), Jana Sangh (31), DMK (25), CPI (24), CPM (19), PSP (17), SSP (17), United Progressive Group (23), BKD (11), Independents (27), Vacancies (4). Total: 522. In any case, even if Parliament is dissolved, the Congress would have to break up into two separate parties in order to face fresh elections.

Details Of Events—Indictment Of Mrs. Gandhi:

A letter sent by the Congress President, Mr. S. Nijalingappa, to the Prime Minister, Mrs. Indira Gandhi, on October 31 contained the severest yet indictment of Mrs. Gandhi's "anti-party" activities and of the failure of the Government to implement the economic programme.

It particularly found fault with her for not obeying the All-India Congress Committee (A-ICC) mandate to scrap the privy purses and privileges of the princes.

It criticized her functioning as leader of the Congress Parliamentary Party and blamed her for having discriminated against Ministers and choosing MPs for delegations for visits abroad.

He charged her with taking personal credit for the party decision in favour of bank nationalization.

The letter traced the events since the Bangalore A-ICC session on July 10, particularly mentioning her role and the attitude of her associates in the Presidential contest.

He also charged her with continuing her anti-Party activities even after the Working Committee adopted the "Unity Resolution" on August 25. The letter repeated the charges of indiscipline and of splitting the Party.

He asked for a Note from her on the steps taken by the Government on the economic programme, to enable the Working Committee meeting on November 1 to discuss the issue in depth.

This was Mr. Nijalingappa's second letter to Mrs. Gandhi within a week.

The first letter was sent on October 24 from Bangalore.

In reply, Mrs. Gandhi welcomed such a discussion in the Congress Working Committee, but said that she could have prepared a comprehensive Note had she got longer notice.

Rival Working Committee Meeting Held:

Next day (November 1), Mrs. Gandhi and her supporters decided to boycott the Congress Working Committee beginning its two-day session in New Delhi that morning and hold their own Working Committee meeting.

The decision was taken at a midnight session convened by Mrs. Gandhi at her residence soon after Mr. Nijalingappa had sent letters to Mr. Fakhruddin Ali Ahmed and Mr. C. Subramaniam dropping them from the Working Committee.

Mr. Nijalingappa dropped Mr. F. A. Ahmed from the Working Committee for his alleged anti-Party activities.

He also removed Mr. C. Subramaniam, another supporter of Mrs. Gandhi, from the Working Committee on the ground that since he had resigned from the Tamil Nadu Congress Presidentship, he had ceased to be a member of the A-ICC and, therefore, ineligible to be a Working Committee member.

The decision to drop the two members was taken at a meeting held at Mr. Nijalingappa's residence. Others present besides the Congress President were Mr. Morarji Desai, Mr. S. K. Patil, Mr. Atulya Ghosh, Mr. K. C. Abraham of Kerala and Mr. Sadiq Ali, one of the three General Secretaries.

All of them advised Mr. Nijalingappa to take a tough line and make it clear to Mrs. Gandhi and her supporters that the move for his ouster would be firmly resisted both in the Working Committee and at the A-ICC session.

In a letter to Mr. Ahmed, Mr. Nijalingappa said that he was dropping him because he had lost his confidence which he enjoyed at the time of his nomination to the Working Committee. He also referred to the "anti-party" role played by Mr. Ahmed during the Presidential election and his recent criticism of the Congress President at a news conference where he had stated that a change was being sought in Presidentship because the A-ICC had ceased to function effectively.

Mr. Nijalingappa took exception to the campaign conducted by Mr. Ahmed for collecting signatures of the A-ICC members on the requisition to convene a special session to elect a new President.

In his letter to Mr. Subramaniam, Mr. Nijalingappa said that although he was an elected member of the Working Committee, his membership had automatically lapsed after he ceased to be the member of the A-ICC. He was taking this step strictly in accordance with the rules which must be scrupulously observed. There was no question of any relaxation in the rules.

The move to drop Mr. Subramaniam was initiated several days earlier, but it was held in abeyance following strong protests from Mrs. Gandhi, Mr. Chavan, Mr. Jagjivan Ram, Mr. Ahmed, Mr. Subramaniam and Mr. U. S. Dikshit.

Mr. F. A. Ahmed's Reply:

On November 3, Mr. Fakhruddin Ali Ahmed challenged his removal from the Working Committee by the Congress President, Mr. Nijalingappa.

In a letter to the Congress President, Mr. Ahmed called the action against him **mala fide** and refused to accept the "illegal" order.

In his reply, Mr. Ahmed maintained that he was still a member of the Working Committee because the Congress constitution did not empower the President to remove any one from the Working Committee. The constitution did not also make any distinction between elected and nominated members.

Official Working Committee's Resolutions:

The official Congress Working Committee held two meetings on November 2 under Mr. Nijalingappa's chairmanship.

After a prolonged morning session, it passed five resolutions ranging over Congress affairs, the communal situation, the economic programme and the Rabat debacle.

The underlying theme of the resolutions was a condemnation of the Government's failure to implement economic and other programmes, the warning that the responsibility for these programmes should not be shifted onto the Congress organization.

But the main punch was reserved for the plan of Mrs. Gandhi's camp to call a parallel meeting of the A-ICC in New Delhi on November 22 and 23. The Working Committee warned members against taking part in this meeting, which it described as unconstitutional. The resolution said: "Those who take part in this meeting must be prepared to face the constitutional consequences."

It declared that no one other than the A-ICC office-bearers had the authority to convene the A-ICC meeting.

The resolution made the point that "even now it is not too late" for Mrs. Gandhi and her supporters to retrace their steps and bring unity to the organization. One resolution "urges the Prime Minister to see her way to co-operating with the organization in re-establishing co-operation and unity in the Congress ranks."

The later meeting of the (official) Working Committee passed two resolutions, one of them suspending Mr. Shashi Bhushan, Mrs. Subhadra Joshi and Mr. Om Prakash Bahl from the Party's primary membership for participating in the "rowdy and unseemly demonstrations" on November 1 outside the A-ICC office.

The second resolution welcomed Khan Abdul Ghaffar Khan, thanked him for his "healing touch" and said: "He has shown how our country is paying dearly for the departures it had made from the path shown by Gandhi."

On the Rabat Islamic "Summit," the Working Committee resolution blamed the Government for compromising India's position in the world and said that India had no place in "a purely Islamic summit."

It said: "The very effort to secure an invitation to attend a gathering of this kind is not only an unseemly act by itself, but it also greatly offends the national honour and self-respect of our people".

Rival Working Committee's Resolution:

The reply of Mrs. Gandhi's camp to these resolutions was of defensive nature, often apologetic in tone. It described the Congress President's camp's arguments as "wholly disingenious", called the other side's call for unity "pretentions of solicitude for unity", and repeated many old arguments used in the present phase of the crisis.

Interestingly, the resolution took the official Working Committee to task for not re-instating Mr. Fakhruddin Ali Ahmed and Mr. Subramaniam and suggested that if the other side's appeal for unity had been genuine, the December A-ICC session called by it would have taken cognizance of the requisitionists' demand.

The resolution added: "On top of it, to threaten those who would participate in the meeting to be held in pursuance of the requisition notice would be an act of suppression and a clear violation of democratic spirit and principles."

On Rabat, however, the resolution took a stronger line: "It is strange that those who call for unity and co-operation have in unmistakable terms condemned the foreign policy of their own party's Government without verifying the facts from the Government."

Immediately afterwards, the Foreign Minister, Mr. Dinesh Singh issued a statement deploring the fact that the "name of the highest executive of the Party has been dragged in" to criticize the foreign policy of the Government.

He said: "It is clear that participation in the Rabat Conference is being exploited to promote group interests while it is really in keeping with the continuing policy of the Government as approved by the Party."

Besides Mrs. Gandhi, the rival Working Committee meeting was attended by Mr. Y. B. Chavan, Mr. Jagjivan Ram, Mr. Fakhruddin Ali Ahmed, Mr. C. Subramaniam, Mr. V. P. Naik, Mr. Mohan Lal Sukhadia, Mr. K. Brahmananda Reddy, Mr. S. D. Sharma and Mr. Uma Shankar Dikshit.

The special invitees were Mr. G. M. Sadiq, Mr. Shyama Charan Shukla, Dr. Y. S. Parmar, Mr. Dinesh Singh, Mr. Satya Narayan Sinha and Mr. D. P. Mishra. Mr. Bansi Lal (Chief Minister of Haryana) who was taken ill expressed solid support for Mrs. Gandhi.

Requisition For A-ICC:

Mr. H. N. Bahuguna, General Secretary of the *Uttar Pradesh Congress Committee, submitted a requisition signed by 407 members (out of a total of 703) to the A-ICC Secretary, Mr. Sadiq Ali, on November 1.*

He first went to the residence of the Congress President at 1.30 a.m. to present the requisition but could not do so because there was no one to receive it. Mr. Nijalingappa had gone to sleep.

The requisition sought to hold a special A-ICC session to elect a new Congress President before the end of December, 1969. The signatories to the requisition included about half-a-dozen members of the Working Committee including Mr. Y. B. Chavan and Mr. F. A. Ahmed.

Mr. S. Nijalingappa's Letters To Mrs. I. Gandhi:

Mr. S. Nijalingappa released to the Press on November 3 two letters he had addressed to Mrs. Indira Gandhi—one dated October 28 and the other dated November 3.

In his letter dated November 3, Mr. Nijalingappa accused Mrs. Gandhi of indulging in "intrigue and disruption" with the threat that her actions, which amounted to "an unpardonable act of gross indiscipline" and a flagrant violation of the Party constitution, may lead to "far-reaching consequences."

He did not define what such consequences might be, but his supporters felt that a call to the Congress Parliamentary Party to elect a new leader in place of Mrs. Gandhi would be one of them. With the release of the letters, it was said, there was little hope of unity between the two groups.

The text of two letters written by Mr. Nijalingappa to Mrs. Gandhi—one on October 28 in reply to her protest against the "arbitrary" removal of Mr. C. Subramaniam from the Working Committee, and the other sent on November 3 informing her, among other things, that he was releasing the text of the earlier letter to the Press — were made available from the Congress President's house which was converted into the office of the A-ICC "to prevent leakages."

In the second letter, Mr. Nijalingappa told Mrs. Gandhi to turn back from the "brink" and made the accusation that her conduct had "sullied" the traditions of the great Indian National Congress. He took exception to her having arranged a meeting of ten members of the Working Committee at her house, for having characterized some of his actions as unconstitutional, for having backed the requisition move to elect a new Party President and for giving the call for a special A-ICC session in New Delhi on November 22 and 23.

In his letter of October 28, Mr. Nijalingappa referred to the controversy over the Party's nomination of Mr. N. Sanjiva Reddy as its candidate for the Presidential election and accused her of making "grave" allegations against him on the basis of "hearsay or suspicion" and later admitting that she had no evidence.

He said that he was "baffled and distressed" by her reluctance to accept the decision of the Parliamentary Board and regarded Mr. Morarji Desai's dismissal as "peremptory."

The organization, he said, could not be sure under such circumstances that its candidates would be elected. The Government could not be sure of the support of the members of the Party. Such a Government would have to work in "perpetual uncertainty." Unity could be maintained only by "disciplined acceptance" of the decision of bodies competent to decide on policies and candidates.

He said he "scrupulously" adhered to the letter and spirit of the Unity Resolution of August 25. "Your attitude seems to be that the candidates that the party sets up for elections should be persons of your liking and the rules of the organization should be applied when it suits your interests in certain individuals and groups and ignored when that is in the interest of individuals and groups you support."

One could not take the view that once the Party got a majority in the Lok Sabha and a Prime Minister was chosen, the necessity for the organization disappeared. In a democracy, no one could take away the right of the Party to formulate policy "or even to change the leader."

Almost half of Mr. Nijalingappa's letter was a personal attack on Mrs. Gandhi. He told her that she thought she was free to work against the Party candidates and to implement only what appealed to her. "You seem to relish the propaganda that your close associates carry on, ascribing the authorship of the 10-point programme to you, and ignoring the role of the Party."

He added: "You seem to have made personal loyalty to the Congress and the country to you the test of loyalty. All those who glorify you are progressives" but those who were loyal to the organization and its policies were "reactionary and disloyal." The powerful medium of the radio and influence of the Government on the Press" were used to paint them as reactionary. "The baits and threats that the Government can use are being used freely and openly to secure regimentation and personal loyalty. All this creates the impression that in your scheme of things there is no place in the Party or Government for any one who differs even slightly from your personal views and likes and dislikes."

Making a veiled reference to Mr. Jagjivan Ram, he said that everything was permissible and pardonable to those who were recognized supporters of the "personality cult that is threatening democracy in the organization." They might have committed "serious breaches of laws" like income-tax laws. They might not have submitted the declaration of their assets to the A-ICC. They might have collected large amounts of money from various sources in the name of the Party and not accounted for them. "I have my apprehension that this pattern may lead us to one-man rule in the organization and Government" and not to the strengthening of democratic socialism.

In reply, Mrs. Gandhi wrote on November 3 rebutting the various charges levelled against her and saw nothing wrong in the requisition move, particularly when a majority of the A-ICC members felt that it would be in the interests of the organization to hold the election for a new President at the end of Mr. Nijalingappa's "normal term" and that it was open to him to contest the election and get re-elected in the usual course.

She told Mr. Nijalingappa that it was his duty to respond to the majority in the A-ICC which had asked for a special A-ICC session to weed out the anti-party forces and re-vitalize the organization. She saw nothing wrong in A-ICC members submitting a requisition as provided for in the constitution.

She maintained that Mr. Nijalingappa was guilty of actions which were "patently illegal" and also contrary to the plea for unity made by the Working Committee on August 25. She was referring to the removal of Mr. Fakhruddin Ali Ahmed, Mr. C. Subramaniam and Dr. S. D. Sharma from the Committee. These actions had been taken only to serve Mr. Nijalingappa's purpose.

She expressed regret that Mr. Nijalingappa had allowed a vilification campaign to be conducted against the Government and herself. She could not ignore Mr. S. K. Patil's outbursts against bank nationalization, abolition of privy purses and other accepted policies of the Congress. Nor could she ignore Mr. Nijalingappa's "unfortunate" Presidential speech at Faridabad in January, 1969 in which he took a line strongly critical of the public sector.

She traced the origin of the present crisis in the Party to the "snap decisions" taken at Bangalore to adopt Mr. N. Sanjiva Reddy as the Party candidate for India's Presidency. The manner is which this decision was taken was neither "responsible" nor "mature". She protested against the insinuation that those who had pleaded for free vote in the Presidential election were collaborating with the Communist Party and the Muslim League.

Charge-Sheet Against Mrs. Gandhi:

On November 4, Mr. Nijalingappa released a letter he wrote to Mrs. Gandhi on November 2 enquiring as to why disciplinary action should not be taken against her for organizing a parallel A-ICC session.

[This meant that the unity moves had been finally abandoned and a split in the Party was a matter of days.]

Mr. Nijalingappa's letter said: "This morning's newspaper (November 2) reports say that you presided over a meeting of some members of the Working Committee yesterday. The reports say that the meeting was held at your residence. They also say that the meeting over which you presided decided, **inter alia** that "any decision by the Working Committee will be improper and not binding on the Congress organization." The meeting is also reported to have decided to convene a special meeting of the A-ICC in New Delhi on November 22 and 23 to consider the requisition resolution to elect a new Congress President.

"I am enclosing a copy of the resolution of the Working Committee passed today (November 2) on this reported decision. You are well aware that meetings of the A-ICC can only be convened by those whom the constitution of the Congress has empowered to do so and not by individuals who have no constitutional **locus standi** or rights in this behalf.

"If the reports appearing in the Press to the effect that you presided over the meeting which decided to convene a session of the A-ICC and authorize Mr. Fakhruddin Ali Ahmed, Mr. C. Subramaniam and Mr. S. D. Sharma to take necessary steps for convening such a session are right, you will be deemed to have committed a serious breach of the Party discipline and flouted the constitution of the Party.

"I write this, therefore, to request you to explain your reported association with the move to convene an illegal and unconstitutional meeting of the A-ICC in violation of the Party constitution and resolutions of the Working Committee."

Reacting strongly to Mr. Nijalingappa's letter, Mrs. Gandhi said in reply that it was "unfortunate, if not hypocritical" for him to charge her with serious breach of party discipline and with having flouted discipline.

Refusing to give an explanation of the charges levelled against her, Mrs. Gandhi maintained that she had done nothing illegal or improper. "If your intention is to frighten those who differ from you from expressing their points of view, you will be disappointed."

She argued that the demand for an explanation confirmed the general belief that "you and your supporters are bent upon (even at the risk of splitting the Party) ousting those who do not see eye to eye with you even though they may represent the majority view in the Party."

She said she did not expect that the requisition move would be set at naught "on absolutely untenable, flimsy and tactical grounds."

States' Chief Ministers' Unity Efforts:

As the throes of a split between the Congress President, Mr. S. Nijalingappa, and Mrs. Gandhi showed no signs of abatement, tha Rajasthan and Assam Chief Ministers, Mr. M. L. Sukhadia and Mr. B. P. Chaliha, initiated efforts to bridge the gulf on November 1, but they gave up their efforts on November 3 when they failed to discover any meeting ground between the two leaders.

The failure of the Chief Ministers' initiative was pre-shadowed by the tone of the letter Mr. Nijalingappa had addressed to Mrs. Gandhi on November 3.

The Chief Minister of Gujarat, Mr. Hitendra Desai chose to stay away from the talks altogether, while Mr. C. B. Gupta of Uttar Pradesh attended only a part of the talks.

Conceding failure, Mr. Mohan Lal Sukhadia put the blame on the "provocative" nature of Mr. Nijalingappa's letter. Both Mr. Sukhadia and Mr. V. P. Naik, Chief Minister of Maharashtra had sounded faintly hopeful at the end of the first session of Chief Ministers. The compromise they evidently had in mind was the continuance of Mr. Fakhruddin Ali Ahmed, Mr. C. Subramaniam and Dr. S. D. Sharma in the Working Committee, while the issue of a new election to the Congress Presidentship was left to the verdict of the A-ICC whenever it met in its normal course.

This was not acceptable to Mr. Nijalingappa, who countered with the suggestion that while Mr. Ahmed's case might be re-considered, there was no question of re-opening the decision he had handed down in respect of Mr. C. Subramaniam and Mr. S. D. Sharma.

The only concession the Congress President was willing to make was to give Mr. Subramaniam the status of a permanent invitee.

Mr. Nijalingappa was insistent that the threat held out against him, via the demand for a special session of the A-ICC, should be withdrawn without any pre-conditions before the matter of re-instatement was discussed. He indicated that he might ask the next session of the A-ICC, when held in its normal course, to consider whether all organizational elections, and not merely that for the Presidentship, should be held at the end of the year.

Mrs. Gandhi wanted fresh elections only for the Presidentship and not for other organizational bodies, and requisitioned a special session of the A-ICC solely to rescind the decision taken at the Faridabad session of the Congress to let Mr. Nijalingappa continue for another year.

Dr. Ram Subhag Singh Resigns From Cabinet:

The Central Railways Minister, Dr. Ram Subhag Singh, who was a party to the resolution of the Congress Working Committee censuring the Government on the Rabat Islamic "Summit" Conference, was dropped from the Cabinet by the Prime Minister on November 4.

Dr. Singh's removal from the Government was not unexpected, because he had firmly refused to toe Mrs. I. Gandhi's line in the current crisis facing the Congress. Despite repeated attempts by Mrs. Gandhi and her supporters to win him over, he declined to sign the requisition for a special A-ICC session to oust

Mr. Nijalingappa from the Party Presidentship.

He tendered his resignation to Mrs. Gandhi immediately after receiving a letter from her on November 4 in which she took exception to his association with the resolutions passed by the Congress Working Committee, including the one on Rabat, which were highly critical of Government policies and performance. She said that in the circumstances he should resign from the Cabinet.

Dr. Singh lost no time in submitting his resignation. In a letter to Mrs. Gandhi, he said that the Central Cabinet was not given an opportunity to discuss the Rabat debacle, although he had expressed a strong desire that it should be debated. The Cabinet merely heard the views of the Minister for External Affairs, Mr. Dinesh Singh, and the Minister for Industrial Development, Mr. Fakhruddin Ali Ahmed, who was the leader of the Indian delegation to the Islamic "Summit" Conference at Rabat.

His letter disclosed that Mrs. Gandhi had requested Dr. Singh to attend the meeting of her supporters in the Congress Working Committee at the Prime Minister's house on November 1 exactly at the time figed for the meeting of the official *CCongress Working Committee. "I told you that I won't attend your meeting, because I do not want the Congress to die".*

He also referred to his refusal to side with the Prime Minister during the recent Presidential election and said that he had made it clear to her that he would back the official Congress candidate.

Dr. Ram Subhag Singh entered Mr. Jawaharlal Nehru's Council of Ministers in 1962 as Minister of State for Agriculture. He later became Minister of Social Security and Cottage Industries. In June, 1964, he was appointed Minister in charge of Railways when Mr. S. K. Patil was Cabinet Minister in Charge of Railways. He continued in this post both when Mr. Lal Bahadur Shastri was Prime Minister and later when Mrs. Gandhi formed her Government in 1966.

He was later appointed Cabinet Minister by Mrs. Gandhi and placed in charge of Parliamentary Affairs and Communications.

When the Opposition had put up the candidature of Mr. K. Subba Rao for the office of President against the official candidate, Dr. Zakir Husain, Dr. Ram Subhag Singh was in charge of organizing the Congress Party's campaign. Dr. Husain was elected with an unexpected majority in the Presidential election.

In a recent re-shuffle, Mrs. Gandhi appointed Dr. Ram Subhag Singh as Cabinet Minister for Railways in place of Mr. C. M. Poonacha, who was transferred to the Ministry of Steel.

Dr. Ram Subhag Singh (52) has been a Member of Parliament since 1952. He represents the Buxar constituency of Bihar in the Lok Sabha.

Dr. Singh was the second senior Minister to be dropped from the Cabinet. In a surprise move immediately after the Bangalore A-ICC session in the middle of July, Mrs. Gandhi divested Mr. Morarji Desai of the Finance portfolio which led to his exit from the Cabinet. She dropped recently four junior Ministers to make her Cabinet "cohensive and purposive". At least three of them were ranged against her during the Presidential election.

Having incurred Mrs. Gandhi's displeasure during the Presidential election, Dr. Singh wanted to resign following Mr. Sanjiva Reddy's defeat. But he was advised by his friends to continue in the Government so long as he was not asked to resign. He had actively campaigned for Mr. Reddy on behalf of the Congress.

Mrs. Gandhi sent for Dr. Singh on October 22 and requested him to support the move to hold a special A-ICC session. Dr. Singh, however, declined to associate himself with the requisition and urged Mrs. Gandhi not to precipitate a crisis in the Party. He frankly told her that as a loyal Congressman, he could not be a party to any move which would disrupt the organization. He questioned the propriety of rescinding the decision taken by the Working Committee at the Faridabad session in January, 1969 extending Mr. Nijalingappa's term for one more year.

Since then, efforts were made by Mrs. Gandhi's aides to win him over, but Dr. Singh did not budge from the stand taken by him. He was woken up by Mr. Satya Narayan Sinha late on November 7 and taken to Mrs. Gandhi's house to attend a meeting of her supporters on the eve of the Working Committee meeting. Dr. Singh was again requested by Mrs. Gandhi to revise his attitude regarding the requisition move and attend the rival meeting of the Working Committee at her house the next morning. Dr. Singh was, however, unrelenting. He told her that as a disciplined Congressman, he would attend the duly constituted Working Committee at the A-ICC office, of which he was an elected member.

Mrs. I. Gandhi's Rejoinder:

In a rejoinder to Dr. Singh soon after receiving his letter of resignation, Mrs. Gandhi said that neither Dr. Singh nor any one else had asked for a separate discussion on Rabat. She asked why, if Dr. Singh had strong feelings on the subject, he did not take the earliest opportunity to express them in the Cabinet, or either speak or write to her about them. All Cabinet Ministers would agree that at no Cabinet meeting had she ever cut short any discussion. During the Cabinet discussion on Rabat, several Ministers did ask questions and express their views.

In reply, Dr. Ram Subhag Singh wrote to Mrs. Gandhi on November 4 as follows: "I stick to what I have said in my letter of November 3 not only about what I said at your residence but also about the Rabat debacle. It was I who had raised this matter in the Cabinet last month (October). I was joined by certain other members to have such discussion. We wanted the matter to be discussed. But after the Foreign Minister, Mr. Dinesh Singh and the Minister for Industrial Development, Mr. Fakhruddin Ali Ahmed gave their views to the Cabinet, the meeting was adjourned. I had asked for discussion on the subject three or four times in that Cabinet meeting. In the circumstances, it is not correct to say that neither I nor any one else asked for a separate discussion."

Mrs. Gandhi-Nijalingappa Talks Fail:

Through the efforts of the Mysore Chief Minister, Mr. Veerendra Patil, Mrs. Gandhi and Mr. Nijalingappa met at lunch at Mrs. Gandhi's residence in New Delhi on November 7, but the talks to resolve the organizational crisis broke down. A scheduled dinner meeting at Mr. Nijalingappa's residence the same evening (November 7) was cancelled by Mrs. Gandhi.

The talks failed because of disagreement over the vital issues of organizational elections and re-instatement of those dropped from the Central Cabinet since the Bangalore session of the A-ICC in July, 1969 and those removed from the Working Committee on October 31.

The two leaders disagreed on the basis of the organizational elections. While Mr. Nijalingappa insisted that it should be from the bottom unit of the organization (mandal) on the basis of existing membership, Mrs. Gandhi was prepared to agree to elections only from the PCC level by the existing delegates.

According to Mr. Nijalingappa, Mr. Gandhi had made two proposals : (1) the Working Committee should reconsider its rejection of the requisitioned meeting of the

A-ICC; and (2) the three Working Committee members dropped by the President should be taken back.

Mr. Nijalingappa's counter-proposals were that the requisition should be presented afresh in an "acceptable form," asking for organizational elections from the middle-level up, and that Mr. Morarji Desai and other Ministers dropped from the Central Council of Ministers should be taken back.

Mrs. I. Gandhi's News Conference: Mrs. Indira Gandhi told a news conference in New Delhi on November 8 that there was no danger to the stability of the country, whatever the consequences of the present crisis in the Congress Party, but she added that the split in the Party had created a serious situation and nobody could prophesy what might happen.

Mrs. Gandhi was not categorical whether the last word on unity had been uttered, but throughout the 55-minute meeting with newsmen, she spoke in terms of "we" and "they", suggesting that the gaping cracks in the Party were virtually impossible to repair.

It was not a clash of personalities, she said, but a combination of "many things" involving several basic issues. The split in the Congress was nothing new. The party was already divided in Orissa, Kerala, West Bengal and Uttar Pradesh.

She declared that even during the last three years of Mr. Nehru's Prime Ministership, differences had developed and the Kamaraj Plan came about. The Congress had not changed with the times, and had to be transformed into a dynamic organization immediately if it was to play a meaningful role.

She had no solution to end the present organizational crisis.

She ruled out the question of her seeking a vote of confidence in the Congress Parliamentary Party. She had "no great objections" to elections at all levels including the election of the leader of the Congress Parliamentary Party, but she did not think the question was seriously posed.

She strongly repudiated the "insinuation" that she was "going Communist or relying on their support." For some time this "malicious" propaganda had been going on. "I am in no way getting aligned to these forces." Her major differences with the Communists were about method. She believed that the method of persuasion was the better one.

Mrs. Gandhi's reply was "no" to the question whether dissolution of Parliament was the only solution to resolve the present cisis.

(**The Hindu,** Madras, **The Statesman,** Calcutta and New Delhi and **The Times of India,** Bombay)

[Prev. ref. 6921:INI:B, 9158:INI:C]

C. Khan Abdul Ghaffar Khan's Visit To Gujarat: Khan Abdul Ghaffar Khan was accorded a rousing reception at Ahmedabad (Gujarat) when he arrived there on October 16.

He was received at the airport by the Governor of Gujarat, Mr. Shriman Narayan, the Chief Minister, Mr. Hitendra Desai, the Mayor of Bombay, Mr. Narottam Zaveri, Mr. Morarji Desai and others. He told the gathering that he had come to the "land of Mahatma Gandhi" to make serious efforts "to find a remedy for the disease which was weakening India."

His first engagement was to attend a meeting of the all-parties' Peace Committee set up to restore communal harmony in the riot-affected city. At a prayer meeting at Vidyapith, he said: "Self-interested people have exploited religious sentiments and fomented communal trouble." On October 17, he visited some of the riot-torn areas—Rangwala building, where about 400 Muslims lived as refugees, Momnawad in Jamalpur where Hindus were sandwiched between Muslims but maintained peace throughout, and the Gandhi Park area, where he said leaders and not people were responsible for the partition of the country to which communal feelings could be traced. Later, he visited the Jagannath Temple and the Mariam Bibi Mosque.

Khan Abdul Ghaffar Khan delivered the Convocation address at the Gujarat Kashi Vidyapith under the presidentship of its Vice-Chancellor, Mr. Morarji Desai. In it, he said it was not right for Hindus to be distrustful of Muslims. He deplored that they had been left leaderless after the Partition, while during the British period their leaders were British stooges who had served the interests of the British. This was responsible for widening the gulf between the two communities.

Addressing a gathering of Sikhs at the Dudheshwar Road gurdwara, he referred to the Viet-Nam war and said that he felt religion no longer existed in the world, as man was modifying it to suit his own purpose. He was visibly moved when on October 20 he saw destruction of property in the areas inhabited by Sindhis. Earlier in the day (October 20), he discussed the communal situation with the delegations of the SSP, CPI and CPM. He addressed a news conference on October 21 and was subsequently given a warm welcome by the Pathans resident in Ahmedabad. He met Muslim students on October 22 and addressed two congregations of Muslims and a gathering of intellectuals—teachers, lawyers and doctors—at Raj Bhawan on October 25, when he emphasized that all social work in India was motivated by the desire to capture votes and that a shift should now be made for service of the people.

He left for a tour of the **mofussil** areas on October 26 accompanied by the Governor, Mr. Shriman Narayan and addressed crowds all along the 20-km route to Kalol and then went to Sartha village. He visited Sidhpur and Palanpur on October 27 and Mira Mohla, Deesa and Mehsana on October 28. At Deesa, he said the police and the administration could end communal disturbances by remaining vigilant against "mischief-mongers" and meeting out proper punishment to them. At Baroda, on October 10, he said for the first time that a foreign hand was working behind the communal disturbances with a view to weakening the strength and stability of the country.

He addressed the 15th session of the Indian Council of Social Welfare at Ahmedabad on November 1. Referring to the Rabat "summit," he said the Ahmedabad riots had provided an opportunity to Pakistan to organize opposition to India. This was responsible for the "embarrassment" India had to face there.

Earlier, on October 31, the General Secretary of the Frontier Unit of the Pakistan National Awami Party, Khan Bahadur Khan condemned a "campaign of vilification in the Pakistan Press by a coterie of capitalists of former Punjab" against Khan Abdul Ghaffar Khan who had gone to India "at the risk of his own life" to protect Muslims there. The convenor of the West Pakistan Muslim League, on the other hand, alleged that Khan Abdul Ghaffar Khan had visited India only to receive the Nehru Award and the Rs. 80,00,000 purse and not to protect Indian Muslims.

(**The Times of India** and **The Hindustan Times,** New Delhi)

[Prev. ref. 9220:INI:A]

D. Mr. D. S. Pheruman's Fast Unto Death – Chandigarh Issue: Mr. Darshan Singh Pheruman, Punjab's veteran political leader, who had gone on an indefinite fast on August 15 to secure Chandigarh for Punjab, died at Amritsar on October 27.

His body was taken to his village—Pheruman—for cremation in compliance with his wishes. He was given a State funeral on October 28. The objectives of his fast were said to be to make the Central Government agree to the inclusion of Chandigarh in Punjab along with the Bhakra-Nangal complex and the Punjabi-speaking areas of Haryana.

Background On Chandigarh Issue:

The question of Chandigarh arose from the re-formation of Punjab State on linguistic basis in 1966. On March 21, 1966, the then Home Minister, Mr. G. L. Nanda, announced in Parliament that the Government had accepted in principle the recommendations of the Parliamentary Committee for the re-organization of Punjab on linguistic basis. The Government had made it clear: (1) that the proposed re-organization of Punjab would be on linguistic basis *without any communal or religious factors influencing it; and (2) that the legitimate rights and interests of minorities, linguistic or others, would be fully safeguarded in the two units.*

The constitution of a three-man Boundary Commission under the chairmanship of Mr. J. C. Shah, a *Judge of the Supreme Court, was announced on April 23, 1966. The Commission released its report on June 8, 1966* recommending that the Kharar Tehsil which included Chandigarh should be assigned to the proposed Haryana State and rejectign most of the grounds advanced for inclusion of Chandigarh ni Punjab. On June 9, 1966, however, the Central Cabinet decided that Chandigarh would be a Union Territory and that both the States of Punjab and Haryana would utilize it as their capital. Whether this arrangement was intended to be temporary or permanent was not made clear, but the Prime Minister, Mrs. Indira Gandhi told newsmen: "We have taken a temporary decision."

The issue was revived in all its strength by the fast of Mr. Pheruman and the counter-fast by Mr. Uday Singh Mann from August 31, 1969 who demanded Chandigarh's inclusion in Haryana. Mrs. Indira Gandhi and Mr. Y. B. Chavan assured a deputation of the all-party Haryana Action Committee on September 10, 1969 that the Centre would not take action under pressure from any quarters. On September 16, she told Mr. Shrichand Goel, MP (Jana Sangh) that the people of Chandigarh who wanted the city to continue as a Union Territory would be consulted before a decision was taken. She met Punjab and Haryana leaders on September 19, while the Chief Ministers of Punjab and Haryana had a round of talks on September 21. The Akali Dal, accusing the Government of India of "deliberately complicating issues", set up an action committee on September 23 to secure all the demands of Punjab. In Haryana, all the parties except CPI and the Akali Dal backed the agitation, "Chandigarh for Haryana". Mr. U. S. Mann broke his 43-day fast on October 14 in response to the Prime Minister's appeal. Negotiations were continuing when Mr. Pheruman died after his 74-day fast.

Earlier, on September 13, before Mr. Pheruman commenced his fast, he was arrested in the interest of maintaining peace but was released on October 11 when he categorically declared that the sole purpose of his fast was only to press the Government of India to transfer Chandigarh to Punjab and he was not interested in the demolition of "Agni Kunds" raised at the Golden Temple for self-immolation purpose.

Mrs. Indira Gandhi appealed to him on August 31 and on several other occasions also to give up the fast as she herself was keen on finding an early and satisfactory solution of the Chandigarh issue. The Punjab legislators of all the parties, under the presidentship of the Chief Minister, Mr. Gurnam Singh, appealed to Mr. Pheruman on September 25 to give up his fast. His condition became critical on October 14 (the 61st day of his fast) and on October 29 it was "very grave". He ultimately expired on October 27.

Life-Sketch:

Mr. Darshan Singh whose childhood name was Bhagat Singh was born on August 1, 1884 in the village of Pheruman about 40 km. from Amritsar. He joined the Army in the Eleventh Lancers in 1912 but gave up the job in 1919 after the Jallianwala Bagh tragedy. He then began taking active part in the politics of the Akali and the Congress parties. He organized the Tegh Bahadur Jatha in Amritsar and two years later a "morcha" for the restoration of the keys of the Golden Temple taken away by the British. He participated in the Jaitu Satyagraha to protest against police entry into a gurdwara when an Akhand Path was in progress for re-installation of the deposed ruler of Nabha, and led the 14-member Shaheedi Jatha.

In 1922, he joined his father in Malaya to assist him in his business. There he organized nationalist groups of Punjabis, was jailed where he undertook a 21-day fast to secure better conditions for prisoners, and was subsequently deported to India. Here he participated in the Civil Disobedience Movement in 1930, organized a kisan movement against increase of revenue collections in Punjab and took part in the "Quit India" movement of 1942.

He spent nearly 20 years of his life in jail.

Mr. Pheruman was twice elected President of the Akali party and subsequently joined the Indian National Congress. In the post-Independence period he was elected Member of the Rajya Sabha in 1952 but resigned from the Congress and the Rajya Sabha. He was re-elected to the Rajya Sabha as an Independent and remained as such till 1964. On the formation of the Swatantra Party by Mr. N. G. Ranga and others, he became its member and was elected President of the Punjab unit of the Party. He resigned from its Presidentship only on August 1, 1969 when he decided to undertake the fast.

Mr. Darshan Singh had been living on non-cereal diet of fish, eggs, fruit and curd since 1947 and had a daily walk of over 11 km. He did not believe in compromises and just before his fast he declared: "If a Sikh decided to lay down his life for a noble cause, nobody on earth can stop him."

(The Hindustan Times and
The Statesman,
New Delhi)

[Prev. ref. 7173:INI:A]

JORDAN

A. Claim To Temple Scroll: Addressing the Executive Board of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Paris on October 10, the Jordanian representative, Mr. Abdallah Salah, formally laid claim to the legal ownership of the controversial Temple Scroll, acquired by Israel from a Jordanian antique dealer for, it was believed, £50,000.

He accused Israel of acquiring it from "a Jordanian citizen" who did not own it. "This Scroll belongs to the Hashemite Kingdom of Jordan," he declared, adding that Israel's possession of it was a violation of international law.

Mr. Salah revealed that the dealer who had sold Israel the Scroll was known to archaeologists as Kando and was a wanted man in Jordan, facing criminal charges there for withholding the Scroll. Kando, who was known to have close contact with Bedouin who bring him their finds, now lives in Israeli-occupied Jordan.

On October 8, Israel's delegate claimed that his country's scholars had rescued the Scroll, partly paid for by a British charity, from what he described as "oblivion."

Israel gave the other members of UNESCO an undertaking that other scrolls in her possession belonging to Jordan would be returned very shortly to the Rockefeller Museum in Israeli-occupied Jordan.

For two days the UNESCO Executive, of which Britain is a member, had listened to bitter accusations against Israel of violation of the Hague Convention on the care of relics in occupied territories.

Twenty-six of the 34 nations represented at the meeting voted in favour of a resolution expressing the Executive Board's "deep concern at the repeated violations by Israel of the Hague Convention."

They also asked Israel "to preserve scrupulously all sites, buildings and other cultural properties especially in the Old City of Jerusalem, and to desist from any archaeological excavations...and to adhere scrupulously to the provisions of the Convention..." Four other members, including Britain, USA and Canada, abstained.

After the vote Mr. Moshe Avidor, the Israeli delegate, assured members that his Government was aware of the world's interest in Jerusalem and that his country would abide by all provisions of the Hague Convention.

(**The Times**, London)

KOREA (South)

A. **President Park Chung Hee's Victory In Referendum:** President Park Chung Hee won in a referendum held on October 17 enabling him to seek a third four-year term in office.

The referendum victory allowed him to alter the Constitution which currently forbids more than two consecutive Presidential terms (see page 9254 for Assembly decision).

The Central Election Commission announced in Seoul that 65.1 per cent of the voters backed him.

Complete official returns showed that 75.9 per cent of the country's 15,048,925 eligible voters went to the polls.

The voting followed a pattern similar to that of the 1963 Presidential elections. Gen. Park, who had risen to power in a 1961 military **coup,** won an election two years later by landsliding through rural areas. As in 1963, the voting showed that he had retained popularity in the countryside, but still faced major opposition in the cities, notably Seoul.

(**The Times**, London and **Far Eastern Economic Review,** Hong Kong)

[Prev. ref. 9254:KRS:A]

NEPAL

A. **Tele-communications Under Official Committee:** The tele-communication system (controlled hitherto by a Government department) was placed under the charge of an official committee just before Government offices were closed in the third week of October for festival holidays.

The administrative change was to enable the tele-communication system to secure some measure of autonomy from the financial and budgetary control it was subjected to.

The change also indicated that the tele-communication system—operating 4,000 to 5,000 local telephone lines in different towns of Nepal—was moving towards a self-reliant economy. Like several other developing countries in the region, the Nepalese tele-communication system was also going to be run on commercial lines.

Though Khatmandu was also connected by the tele-communication system with Dacca, the bulk of Nepal's traffic is with India through Delhi. The Khatmandu-Calcutta link was operated recently on an experimental basis, but the channel operated only for a limited number of hours every day. Apparently, arrangements had now been made to utilize the Calcutta channel as and when the Delhi channel was out of order or overburdened.

Besides, Khatmandu was being connected with the Indian trunk system. A surface telephone line linking Khatmandu with Raxaul, a railhead in north Bihar on the Indian border, was being provided. Work on laying overhead mains across this mountainous terrain was in an advanced stage.

International telephone exchanges would soon be set up at Birganj town and Raxaul. They would provide new contact points on the wires between Nepal and India.

(**The Times of India,** New Delhi)

[Prev. ref. 8426:NEP:C]

B. **Mineral Deposits:** The UN Development Programme (UNDP) announced in New York in September that two Soviet geologists attached to the Programme had located magnesite, talc and several other mineral reserves about 60 miles north-east of Khatmandu along the Khatmandu-Kodari highway.

The **Rising Nepal,** a Khatmandu daily, which usually reflects the Establishment's view, said editorially: "Nepal is soon going to be an El Dorado".

The UNDP's announcement said that Mr. Y. V. Kazitain and Mr. V. A. Talalov, working with the Nepal Geological Survey, had discovered reserves of 104 million tons of magnesite and 60,000 tons of talc, about 60 miles north-east of Khatmandu. They had also found geological structures confirming the existence of copper, lead, zinc, bismuth, molybdenum, tungsten and iron and indications of gold and tin.

Observers expressed the view that the discovery was a major breakthrough. But, as far back as 1961-62 deposits of magnesite and talc had been located at or around Kharidunga by two Indian geologists, Mr. B. B. Nadgir and Mr. P. N. Sharma. Their findings had also been acknowledged by the Nepal Bureau of Mines.

In 1967, Dr. D. N. Rimal, the then Director of the Nepal Bureau of Mines, had in a pamphlet, "A Guide to Mineral Resources of Nepal," indicated the presence of massive dolomite and magnesite formations and reserves of about 57,000 tons of talc at Kharidunga, Begmati and Anchal, about 40 miles from Khatmandu along the Kodari highway. It would appear from Dr. Rimal's pamphlet that the occurrence of ochre, pyrite and pyrrhotite was known to the Nepalese. The Kharidunga magnesite deposit was discovered by the geological wing of the Indian Co-operation Mission (ICM) as far back as in 1961-62, and its extension delineated during the subsequent years.

In the note captioned "Geological Surveys, a Layman's Guide," prepared this year by the Nepal Geological Survey, the ICM geologists' discovery has also been acknowledged.

The 1965 report of Mr. G. R. Manandhar, mining engineer, Nepal Bureau of Mines, referring to "Exploration of Kharidunga: Prospects", said: "In addition, Mr. B. B. Nadgir and Mr. P. N. Sharma, geologists of the Geological Survey of India, also have prepared a geological map, inclusive of this area in connexion with the exploration of copper and nickel occurrences at Nangre and Bhorle. They have observed magnesite in the area."

Mr. Manandhar placed the reserves at 100 million tons of magnesite and 57,000 tons of talc in the same report and also referred to the occurrence of ochre, pyrite and pyrrhotite in the Kharidunga area.

The Indians had, however, not visited this area under any bilateral agreement.

Chinese geologists had given a negative report about mineral prospects in this area in 1967.

(The Times of India, New Delhi)

[Prev. ref. 5371:NEP:C]

PAKISTAN

A. Mr. A. R. Cornelius On Constitutional Reforms: *The Law Minister, Mr. A. R. Cornelius, said in Lahore on October 29 that certain basic issues, including the future of One-Unit in West Pakistan, the structure of the Central Legislature, provincial autonomy and the division of finances, would have to be decided before a constitutional basis for General Elections in the country could be laid.*

He did not consider it impossible to evolve a formula by the middle of next year (1970) as a pattern of parliamentary government was already available.

He referred in this context to the Constitution that existed in 1954 and the one that was approved in 1956, and said that one thing was however certain—the Constitution (promulgated by F-M Ayub Khan while withdrawing Martial Law) "is dead as it is considered too authoritarian."

He said there was no question of holding a referendum on any constitutional point at the moment.

He added that the Government was taking notice of what the political parties had been saying about One-Unit.

[While there had been a more or less unanimous demand for the splitting of the One-Unit of West Pakistan into linguistic units of Sind, Baluchistan, Punjab and Pakhtoonistan, there have been suggestions from a section of West Pakistani leadership and endorsed by a small section of East Pakistani leadership for the division of East Pakistan into at least two Provinces. Observers feel that the new West Pakistani demand for the division of East Pakistan into two or three Provinces is to prevent that Wing from having a predominant say as One-Unit in the country's affairs].

(The Times of India, Bombay and **Radio Pakistan)**

[Prev. ref. 9229:PAK:B]

B. Warning Against Chinese Influence: A large section of Muslim divines has openly come out against the increasing Chinese influence in the country.

According to newspaper reports appearing in leading dailies **Jung** (Karachi) and **Mashriq** (Lahore) Maulana Ehtisham ul-Huq Thanavi, President of the Jamaat-ul-Ulema of Pakistan has warned that the Chinese were bent upon creating a Viet-Nam-type situation in Pakistan and alleged that large sums of money were being distributed among the pro-Chinese elements to create trouble, especially in the West Wing.

Referring to his recent visit to China where he had gone as a member of one Goodwill Delegation, he said: "Some people in Pakistan have funny ideas about conditions in that country." Though he was not allowed to visit the Muslim majority areas in China where a large-scale campaign of genocide was going on, he did see quite a bit in China during a month of his stay. "It was worse than a large prison."

Another religious leader, Mufti Mahmud of Jamaat-ul-Ulema Islam of Pakistan (a rival organization) has also come out with a warning against Chinese machinations in Pakistani policies. Speaking at Lyallpur, he said that one of the main factors contributing to F-M. Ayub Khan's fall was the entrenchment of the Chinese lobby in all positions of importance.

The leader of the Jamaat-e-Islami, Maulana Maudoodi, has asked the Government to institute an inquiry into the funds of Mr. Z. A. Bhutto's People's Party and Maulana A. H. Bhashani's National Awami Party and alleged that they had been receiving large funds from Chinese and other foreign sources.

The leader of the Pakistan Democratic Party and a former Prime Minister, Chowdhury Mohammed Ali, expressed the fear while addressing workers of his party at Lahore that if immediate steps were not taken to combat the danger being posed by ultra-Leftist forces being financed from abroad, the country would have to face a civil war whose dimension might be much worse than the one in Indonesia.

(The Times of India, Bombay)

[Prev. ref. 9186:PAK:D]

C. Decline In Newspaper Industry—IPI Report: The International Press Institute (IPI) in its October bulletin stated that 21 Pakistani dailies were closed during the 10-year rule of President Ayub Khan.

Among the casualties was the 93-year-old English language daily, **Civil and Military Gazette of Lahore,** once edited by Rudyard Kipling.

IPI quoted a survey by the Yahya Khan Government's Bureau of Statistics as saying that leading daily newspapers in English, Urdu and Bengali were taken over by the Government during the period in the name of the National Press Trust. The national news agency, the Associated Press of Pakistan, was also taken over and put under the direct control of the Press Information Ministry.

IPI noted that weeklies and bi-weeklies had also showen a sharp decrease during the Ayub regime. Their number dropped from 379 in 1958 to 260 in March this year.

It said that the decline in Pakistan's newspaper industry was in sharp contrast to the great progress in other fields of industry, some of which had registered a rise of 500 per cent.

The bulletin also reported the recent dismissal of Mr. Z. A. Suleri, Editor-in-Chief of **The Pakistan Times.** Quoting published reports, it said that his dismissal was supposedly because of recent anti-communist comments in the newspaper which did not suit the Government.

(The Times of India, New Delhi)

[Prev. ref. 9227:PAK:A]

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INDIA

A. Mr. R. K. Khadilkar Appointed Minister Of Supply: The appointment of Mr. R. K. Khadilkar as a Minister of State in the Central Council of Ministers was announced on November 3.

The Ministry of Foreign Trade and Supply was bifurcated and Mr. Khadilkar was appointed Minister of Supply.

Mr. B. R. Bhagat would be Minister of Foreign Trade with Cabinet rank.

A **communique** from Rashtrapati Bhavan said: "The President, on the advice of the Prime Minister, has been pleased to appoint Mr. R. K. Khadilkar as a Minister of State in the Council of Ministers and to hold independent charge of the Ministry of Supply. Mr. Baliram Bhagat, at present Minister of Foreign Trade and Supply, will continue to be in charge of the Ministry of Foreign Trade."

Mr. Khadilkar took over on November 4.

On November 7, he was also appointed concurrently as Minister of State in the Ministry of Finance.

(**The Times of India**, New Delhi)

[Prev. ref. 9110:INI:B]

B. West German Aid For Bombay TV Station: It was announced in New Delhi that West Germany had agreed to provide equipment and technical assistance for setting up a TV station at Bombay with relay facilities to Poona under an Agreement signed on October 29. The project is expected to be ready by May, 1971.

The West German Government would supply equipment for the transmitters at Bombay and Poona and for the studios at Bombay and expert technical assistance for installation of this equipment and training in programme presentation techniques.

The entire foreign exchange cost of the project would thus be met by the West German Government, which has offered the TV equipment as a gift. The counterpart expenditure in rupees would be incurred by the Government of India. The cost of the equipment, to be received by way of gift, would be Rs. 1,13,00,000.

[The transmitter at Poona will not be an independent TV station but will relay programmes originated at Bombay. For this purpose a micro-wave link between Bombay and Poona, being set up by the Department of Communications, will be used. The transmitter at Poona has thus been planned as a part of the technical configuration of the Bombay station. The station at Bombay will serve the whole of Greater Bombay, its industrial environs and some rural areas of Thana and Colaba districts. The relay transmitter at Poona will serve the city of Poona, its industrial environs and rural areas around. The total area round Bombay and Poona to be served by this complex is likely to be about 10,000 square kilometres].

The Government of the Federal Republic of Germany had also given assistance for the establishment of the TV station at Delhi.

(**The Times of India**, New Delhi and Bombay)

[Prev. ref. 8876:INI:F, 9043:INI:G]

C. FCI Wins Award Against French Firm: It was learnt in New Delhi on October 31 that the Fertilizer Corporation of India (FCI) had won an award against a French firm which had been directed to pay approximately Rs. 1.23 crores to FCI.

The award was given by the Court of Arbitration of the International Chamber of Commerce, Paris.

The French firm was given a contract in 1957 for certain fertilizer plants to be set up at the Nangal project of FCI.

On completion of the project, the contractors raised various claims against the Corporation which were not accepted.

As a negotiated settlement did not materialize, the contractors went for arbitration under the Rules of ICC, Paris.

The arbitration proceedings continued for over five years. In the meanwhile, the President of the Tribunal expired, necessitating the appointment of Lord Devlin of England as successor-arbitrator to complete the proceedings. After hearing both the parties, Lord Devlin submitted his award in favour of FCI.

(**Le Monde**, Paris)

D. Greek Envoy: It was officially announced in New Delhi on October 31 that Mr. John Yannakakis had been nominated as the next Greek Ambassador to India.

Mr. Yannakakis had been head of the Prime Minister's Diplomatic Bureau in the Greek Ministry of Foreign Affairs since 1968.

(**The Times of India**, New Delhi)

[Prev. ref. 8138:INI:O]

E. Prohibition In States: On November 1, Andhra Pradesh went "wet" with the abolition of prohibition throughout the State.

The A-ICC, meeting at a special session at Panaji, had decided in November, 1968 that total prohibition should be introduced over a seven-year period, beginning from October 2 this year. With about half the States outside the realm of Congress hold, it was clear even then that there was little possibility of the whole country going dry in terms of this resolution.

A survey showed that even Congress States had not all been very enthusiastic about the resolution.

Among the States, Gujarat had been totally dry for many years. There had been no move to relax prohibition.

The following are the reports from other States:

Assam: The State Government had not taken any step in pursuance of the Panaji resolution. Of the 11 districts, three were dry. There was no proposal to extend the dry law to more areas. The reason was financial. The Government was reportedly considering modification of the prohibition policy in the light of the Tek Chand Committee's report (see page 6888).

Mysore: Since the Panaji session, there had been no change in the prohibition policy in the State, which went dry in 1960 but relaxed the law in 1966 to permit sale of toddy and arrack in all **talukas** except two. The State Government's position was that it would fall in line if others also implemented the Panaji decision.

Maharashtra: The State Prohibition Minister, Mr. B. M. Yagnik said the Government had decided not to open toddy shops in a village if the panchayat, by a resolution, opposed it. Toddy shops in 625 of the State's 35,000 villages had been closed down accordingly. On the Panaji resolution implementation, the State's position was that the Chief Ministers and the Working Committee had to decide the details. Before the Panaji session, the Government had followed up the 1963 decision on relaxation of prohibition with a further modification to permit sale of toddy and beverages with an alcoholic content of up to five per cent.

Rajasthan: The State Government was implementing the Panaji resolution. Since April, there had been two dry days in a week. In the next financial year, the number of dry days would be raised to four and in the following year to six. On April, 1, 1972, *it was proposed to introduce total prohibition. Dungarpur, Banswara and Sirohi districts, parts of Udaipur district and areas on the Gujarat border were already completely dry.*

Madhya Pradesh: The State Government had declared its willingness to enforce prohibition in any area if 70 per cent of the residents asked for it.

Haryana: *The Finance Minister, Mrs. Om Prabha Jain, has said* total prohibition will be introduced by April, 1971. Since April, 1969 two days in the week are dry days. From April, 1970 there will be four dry days.

(**The Times of India**, New Delhi)

[Prev. ref. 8645:INI:A, 9224:INI:M]

F. **Kalinga Prize Award:** It was announced by UNESCO in Bombay on November 4 that the Kalinga Prize for the popularization of science had been awarded this year to Sir Gavin de Beer of the United Kingdom.

Sir Gavin's candidature was put forward by the Academy of Sciences of the Institute of France. His research covered zoology and biology, and his writings ranged from Charles Darwin to Voltaire and Shelley.

The Prize, established in 1951, carries £1,000 as prize money.

(**The Times of India,** Bombay)

[Prev. ref. 8583:INI:L]

INDONESIA

A. **Act Of Free Choice In West Irian:** The Act of Free Choice in West Irian closed on August 2 with the Djajapura Regency choosing unanimously in favour of continued ties with Indonesia.

[Article 21, Section 2 of the New York Agreement of August 15, 1962 provided that the two parties to the Agreement—Indonesia and the Netherlands—would "recognize and abide by the results of the Act of Free Choice." The Act of Free Choice was held in eight Regencies through **musjahwarah** (Consultative) Councils. Government sources said that everywhere the verdict was in favour of integration with Indonesia.)

The Interior Ministry described the result of the Act as legal and within the terms of the 1962 New York (hand-over) Agreement with the Netherlands.

The successful conclusion of the Act of Free Choice means that the long-cherished dream of a Republic united from Sabang in the northern tip of Sumatra to Merauke in south-eastern West Irian has come true.

Though critics, particularly in Holland and Australia, expressed doubts about the outcome of the Act of Free Choice as representing the collective will of the backward people, the Indonesian Government maintained that the decision was valid and final.

The United Nations was expected to receive a report from the UN Secretary-General, U Thant, on the Act of Free Choice. UN, however, has no authority to approve or disapprove the result.

Comment:

To observers of the scene, there was never any doubt about the outcome. For one thing, the "Act of Free Choice" was confined to 1,025 handpicked representatives and even they were to decide by a non-voting consensus or **musjahwarah.** For another, Indonesia had made it clear that no other choice would be acceptable to her.

A senior spokesman of the Government had summed up the official stand a few weeks before the Act of Free Choice. He said: "We have died for Irian Barat. The Revolution was made to free the whole of Indonesia which included Irian Barat." That was a reference to the early days of the Sukarno era. Dr. Sukarno was the one who had first introduced the concept of a single nationhood among the sprawling islands of the Indonesian archipelago and his slogan was "From Sabang to Merauke."

Indonesians had consistently maintained that there was no real alternative to West Irian staying within Indonesia. According to them, West Irian, though as large as France, just could not exist as a viable separate entity. If it became independent it would be entirely at the mercy of some foreign Power and this would raise questions of security.

Once in control, Indonesia proceeded to set up a Legislative Council with nominated members. In 1963 this Assembly negatived the idea of a plebiscite and eventually settled for the Act of Free Choice in **musjahwarah** style. The Australians were the most critical about this turn of events. This was natural because they rule the other half of the New Guinea island under UN trusteeship. The whole island is in close proximity to Australia's northern coast.

The Indonesian case apparently rests on the nature of the territory and its people. Out of a population of 800,000 as many as 500,000 still live in dense jungles in Stone Age and often pre-Stone Age ways. There are hundreds of local dialects so that almost all communication is carried on in Indonesian. The official UN representative said: "To hold a one-man, one-vote referendum in West Irian would require 200 men, two months and 20 helicopters to reach remote parts—and still you would not know if the tribes know what they are voting for."

Despite Australian and Dutch criticism, it was largely UN support which enabled Indonesia to go its own way in West Irian.

(**Information Service Indonesia** and **The Hindu,** Madras)

[Prev. ref. 8972:IND:A]

B. **British Loan:** The Ministry of Overseas Development in London announced on October 23 the signing of an Agreement in Djakarta under which Britain would make a further loan of £500,000 to Indonesia for buying a wide range of British goods.

The loan, for 25 years, is interest-free, with a seven-year grace period for repayment. This was the fifth Aid Agreement between Britain and Indonesia signed this year, bringing the total of new British aid to Indonesia in 1969 to £2,215,000.

The earlier loans were for the supply of New Leyland buses and spare parts, provision of pharmaceuticals and medical equipment and the supply of electrical equipment.

The two loans totalling £1.2 million were for other British goods.

IDA Credit:

Meanwhile, it was officially announced in Washington that the International Development Association (IDA), an affiliate of the World Bank, had approved a credit of $15 million to Indonesia for constructing an electric power project.

The credit will be interest-free and repayable in 50 years with 10 years of grace.

The loan will be used mainly for improvement and expansion of the electricity distribution system in Djakarta and environs.

(**The Hindu**, Madras)

[Prev. ref. 8747:IND:A]

IRAN

A. Gen. Yahya Khan's Visit: President Yahya Khan of Pakistan arrived in Tehran on October 29 on a week's visit at the invitation of the Shah.

The Shah and Gen. Yahya Khan later drove through flag-decorated streets to the capital's main square, where the Mayor, Mr. Gholam Reza Neikpay, presented the President with a golden key to the city.

Replying to an address of welcome at a State banquet given in his honour by the Shah the same night (October 29), Gen. Yahya Khan said that his country would "continue to strive" for a peaceful settlement of its disputes with India and maybe "India will see the wisdom of having a friendly Pakistan as its neighbour."

He said: "In its dealings with the three major Powers, namely, the United States, USSR and China, Pakistan continues to follow a policy of bilateralism while cultivating friendly relations with all of them." But, he added, "we scrupulously avoid taking sides in their quarrels."

"The only dark spot in our relations with the outside world is the state of our relations with neighbouring India. I regret to say that there is little progress in the resolution of the two basic disputes between our two countries, namely, the future of Jammu and Kashmir and the equitable distribution of waters of the Ganga. We shall continue to strive for a peaceful settlement of these disputes, and maybe India will see the wisdom of having a friendly Pakistan as its neighbour."

He re-affirmed that Pakistan attached "the highest importance" to the Regional Co-operation for Development Organization (RCD), which groups Iran, Turkey and Pakistan.

Address To Parliament:

Addressing a joint session of Parliament on October 30, Gen. Yahya Khan said that China had been a very good friend of Pakistan, but stressed that Pakistan aimed to hold a balance in its relations with the major Powers.

He said: "We do not solicit the friendship of one at the expense of the other. Thanks to the policy of bilateralism that we have been following, Pakistan today is one of the very few countries to have friendly relations with all the three major Powers—USA, the Soviet Union and China."

Because of Pakistan's geographical situation—its being surrounded by the world's largest nations, Russia, China and India and the country being divided into two parts with a thousand miles of Indian territory in between—it had to find an equation with its big neighbours and USA which had global interests.

Joint Communique:

A joint **communique** issued at the end of the visit showed that Kashmir and Ganga waters issues figured dominantly in it.

According to it, Gen. Yahya Khan had informed the Shah of Iran of the "lack of progress" in resolving these "disputes" with India.

Radio Pakistan quoted the **communique** as saying that Pakistan expressed the hope that these "disputes" would be settled "peacefully and in accordance with the UN resolutions and international laws and usage."

News Conference:

President Yahya Khan of Pakistan told a news conference in Tehran on November 4 that he did not expect another war with India but he saw no immediate hope of improving relations between the two countries.

He also indirectly referred to India as the "enemy."

He rejected the idea of reaching an understanding with India to re-establish the historic "silk route" through Turkey, Iran, Afghanistan, Pakistan, the Soviet Union and India to China.

He would not mention any date for Pakistan's General Elections but hoped that an election would be called "soon."

He welcomed the co-operation between Iran, Pakistan and Turkey but was reluctant to express support for the Central Treaty Organization (CENTO) of which Iran, Turkey, Pakistan, Britain and the United States were members.

India's Reaction:

The statement by the Shah of Iran that "Iran and Pakistan are like one soul in two bodies" during the visit of the Pakistan President, Gen. Yahya Khan, to Tehran has given the policy-makers in New Delhi a new turn on the relations between the two countries.

The warmth shown towards Pakistan in the Shah's speeches was regarded as particularly baffling, because Pakistan's consistently intransigent attitude had wrecked one of the Shah's pet proposals—re-establishing the historic "silk route" through Turkey, Iran, Afghanistan, Pakistan, India and the Soviet Union.

Pakistan took full advantage of its President's visit to Iran to reiterate the special relations that it considers, exist between the two countries. This aspect was evident during the visit, because exchanges between Iran and Pakistan in other spheres, particularly in the economic field, have been negligible. Even projects agreed upon to be undertaken have made little progress.

It was considered reasonably certain that the Shah of Iran could not have made a special diplomatic gesture to Pakistan unless Iran decided to treat its relations with Pakistan on a special basis.

It is significant that Gen. Yahya Khan rejected the proposal for regional co-operation as propounded by the Soviet Prime Minister, Mr. Kosygin, even after the Iranian Government had indicated its interest in the proposal at the official-level talks with Pakistan.

While Iran's friendly relations with Pakistan are considered as normal, no rational justification for Iran's lack of appreciation of Pakistan's disruptionist role in the region has been found.

Gen. Yahya Khan's brief statement in Tehran that he did not expect another war with India is not considered worthy of any notice, because, in the same breath, he referred to India as the "enemy."

Background:

President Yahya Khan's visit to Tehran emphasizes the close relationship between Iran and Pakistan, stemming from the links formed through CENTO and the Regional Co-operation for Development (RCD).

At the moment, Pakistan is perhaps more keen than Iran to strengthen the ties between the two countries which have shown some signs of loosening.

Iran's bonds with Pakistan were formed when both became part of the Western alliance system in the early 1950s. Both of them signed mutual defence pacts with USA and became members of the Baghdad Pact, later re-named CENTO. While Pakistan's motive in joining the SEATO Pact was its obsession with India, Iran at that time was genuinely afraid of its northern neighbour, USSR—because of its experience in the past.

Over the years, the military alliance system failed more and more to satisfy Pakistan's needs. This led to a gradual disengagement, highlighted by the fact that both China and USSR today supply military hardware to the predominantly American-equipped armed forces of Pakistan.

All the same, Pakistan has tried to maintain intimate ties with Iran in the hope of securing the latter's superiority in the sub-continent. This hope derives evidently from the moral support Iran gave to Pakistan during its 1965 conflict with India. In fact, Iran acted as an intermediary in a deal which later brought 90 **Sabre** jets from West Germany to Pakistan.

There is another factor which *makes Pakistan anxious for* close *ties with Tehran.* The Pakistani *ruling elite* (which largely hails *from* the West Wing, as well as the common people of West Pakistan) look towards the Muslim world of West Asia for psychological sus*tenance and support.* Gen. Yahya Khan's **regime** *is hoping to improve ties with the Muslim world* in general, and the RCD countries in particular, to refurbish its image at home.

The **regime** in Iran suffers from no such compulsions. In fact, the thaw in the 'cold war' and the changed situation in West Asia have brought about significant shifts in Iran's foreign policy attitudes. The importance of ties with the Western Powers and their friends in Asia has lessened in direct proportion to the improvement of Tehran's relations with USSR. This has eroded the importance Pakistan, as a member of the common alliance against the Soviet Union, once had for Iran.

Russia has contracted for $110 million worth of military supplies to Iran under an Agreement signed in 1967. Most of the military supplies are non-lethal, but they do include a few 57-mm and 85 anti-aircraft guns. Economic co-operation between the two countries has resulted in several important deals which include a long-term contract for the sale of Iranian natural gas to Russia **via** a pipe-line running from the southern Iranian fields to the Russian border at Astara. A major part of the pipe-line is being built through a Soviet credit given in April, 1968.

USSR is participating also in oil exploration in northern Iran. Work is now under way in the northern Caspian coastlands of Iran, and Russia is reported to be eager to take up a concession in southern Iran as well. Under the 1966 Soviet-Iranian Economic Agreement, the Soviet Union is building a steel mill near Ispahan with an annual capacity of 680,000 tons which will be ready by 1971.

The Shah of Iran, at one time, looked upon "Nasserism" as the greatest threat to his position. But, after the humiliation suffered by the Arabs in the 1967 war with Israel, he has little cause for apprehension. Thus, he no longer needs Pakistan's friendship as an insurance policy to cover the contingency of a conflict with his Arab neighbours.

The change in Iran's relationship with the Arabs is illustrated by the recent Rabat Islamic Conference. Some years ago, Iran and Saudi Arabia had tried to float the Islamic "summit" balloon, but it was shot down by President G. A. Nasser of UAR. More important, most Arab States would have until recently strongly objected to Iran's participation in a conference called to discuss Arab relations with Israel in view of the cordial ties between Tehran and Tel Aviv. Yet, Iran was not only represented at the Rabat "summit" but was also a member of its Preparatory Committee.

Iran's problems with Saudi Arabia over the question of the Gulf States, and particularly Bahrain, are now things of the past. The Shah has explicitly stated—he did so at a news conference in New Delhi in January, 1969—that he would abide by the decision of the people of Bahrain regarding the future of the island. But even when Bahrain was a live issue between Iran and Saudi Arabia, there was much disappointment in Tehran at Pakistan's failure to come out unequivocally on Iran's side.

A dispute still lingers with Iraq on the question of the Shatt-al-Arab. But Iran feels strong enough to abrogate unilaterally the Treaty of 1937. Iranian ships have passed the Shatt under a protective convoy without Iraqi interference, suggesting that the balance of power is now very much in favour of Iran.

Another factor relevant to the consideration of Iran's foreign policy motivations is that the internal challenge to the **regime** is no longer as serious as it was some time ago. Young Iranian **emigres** may demonstrate against the Shah during his visits abroad—as they did in USA (see below under B)—but the banned Tudeh Party is in hibernation at home. In sum, the Shah is no longer faced with foreign or domestic threats which gave him an interest in maintaining cordial relations with neighbouring Pakistan with its large armed forces.

Even economic relations between Pakistan and Iran are not as important or vital as they are made out to be by Pakistan. Pakistan's imports from Iran in 1967-68 were a little over (Pak)Rs. 757 million, while exports to Iran were valued at (Pak)Rs. 21 million. During the same period, Iran's exports to India amounted to (Indian) Rs. 329 million and imports from India were around (Indian)Rs. 142 million.

Even after taking into account the difference in the official rates of the Indian and Pakistani currencies, the difference in the volume of Iranian trade with India and Pakistan is significant. It should also be noted that the open market value of the Indian rupee is much closer to its official rate than is the case with the Pakistani rupee, which has undergone a drastic **de facto** devaluation.

It is true that RCD has strengthened the economic bonds between Iran and Pakistan. Commitments on paper far exceed, however, the number of joint ventures actually initiated. A list of 54 industrial projects has been approved, but, of these, only four have been taken in hand so far—three in Pakistan and one in Iran. The three located in Pakistan are for the printing of banknote paper, an RCD jute mills project, and another for a ball-bearing plant. A joint aluminium project, in collaboration with a US firm, is being set up in Iran.

The Shah has been quick to realize that he can expect only limited economic benefits from his association with Pakistan in RCD. He also feels that the RCD ties need not rule out closer economic relations with India, specially because Iranian and Indian economies are supplementary in many ways. Economic collaboration has become, therefore, the main means for both India and Tehran to disentangle Indo-Iranian relations from the Pakistan-Iranian ties.

In 1968, two senior Cabinet members in charge of economic portfolios—Mr. Morarji Desai and Mr. Fakhruddin Ali Ahmed—visited Iran. The Shah's visit to India in January, 1969 gave further impetus to proposals for economic co-operation. Iran is already a partner in the Madras Refinery, while India is participating in off-shore oil exploration off the Iranian coast in association with the National Iranian Oil Company and others. India has agreed to train 500 Iranian technicians in the next two years in iron and steel technology.

The growing ties between India and Iran give Pakistan little cause for satisfaction. This is probably one of the reasons prompting Gen. Yahya Khan to single out Iran for his first goodwill visit abroad.

(**The Times**, London, **The Hindu**, Madras and **The Hindustan Times**, New Delhi)

[Prev. ref. 7740:PAK:A, 8023:PAK:F]

B. The Shah's Arms Mission To USA: The Shah said in Washington on October 24 during a State visit to USA that Iran did not mix trade and politics, but treated them separately.

He said that the Russians were not a threat in West Asia as they had no "physical expansionist policies." The threat to peace in West Asia, he said, came from the "weak, corrupt countries" in the region.

The Shah gave some inkling of his two-fold mission to Washington in a question-answer session on the television programme, "Meet the Press."

It was known that his primary aim was to seek F-104 fighter planes and a vast array of arms and weapons for the Iranian armed forces, but, he deliberately underplayed this part of his mission.

Though, he said, Iran required the means to defend itself and could not appeal to any one super-Power for help in an emergency without precipitating a "confrontation" with another, it was also in the market for a wide range of capital goods like heavy machinery, power plants, locomotives and agricultural tools and implements. In order to pay for these, Iran wanted USA to buy its oil. In return, he promised to spend every cent of the money earned thereby to purchase American goods.

[The Shah was questioned intensely over Iran's attitude towards the conflict in West Asia. Iran is the only Muslim country to have trade relations with Israel and it was by way of explaining this that the Shah said that his country separated the question of trade from politics.]

He technically absolved the Soviet Union of any responsibility for the crisis in West Asia, but indicated that on the United States and the Soviet Union jointly lay the responsibility to find a satisfactory solution to the West Asia crisis.

(**The Times of India**, New Delhi and **Tehran Radio**)

[Prev. ref. 7908:IRN:A]

ISRAEL

A. West Asia—Americans In Israeli Armed Forces: Anti-American psychosis in the Arab world reached a climax on October 19 with Mr. Anwar Sadat of UAR calling USA "our first and principal enemy."

A furore was created by a US Embassy statement released at Tel Aviv saying that American Jews who joined the Israeli armed forces would not automatically lose their American nationality.

This was interpreted in the Arab Press not only as admission of the presence of Americans in the Israeli armed forces but as "encouragement" to them to join these forces.

The US State Department also acknowledged on October 17 that some American citizens were serving with Israeli armed forces, but denied they were being encouraged to do so by the Administration.

There has been a flurry of diplomatic notes and American explanation that a change in the citizenship law was not an executive action but an offshoot of a Supreme Court decision in a case filed by an American citizen appeared to be of no avail.

The UAR Foreign Minister, Mr. Mahmoud Riad, who had already made representations to the US diplomatic mission in Cairo and to the United Nations, sent a Note to the Arab League asking it to take up the matter at the Arab Joint Defence Council meeting scheduled for November 8.

Mr. Riad said in the Note that by its action, USA had contradicted its pledge to work for the implemention of the Security Council resolution on West Asia and reneged its responsibilities as a Big Power and violated the UN Charter.

He added that the Arab war of attrition and commando activities were beginning to take their toll of Israeli armed forces and Israel needed more military support. The United States, therefore, took the initiative in allowing its citizens to enlist in the Israeli armed forces.

Strong reactions were also expressed in Jordan, Iraq, Syria and Libya.

Official American sources, however, said that US policy was that if an American enlists in the armed forces of a country not hostile to the United States, he will not necessarily lose his citizenship.

USSR Warning:

In a statement issued at a Foreign Ministry news conference in Moscow on October 31, the Soviet Government warned the United States that its decision to permit its citizens to enrol in the Israeli Army could lead to serious complications.

It charged that USA was encouraging the aggressor by providing not merely weapons of war but pilots and personnel for technical maintenance.

Mr. Leonid Zamyatin, Head of the Foreign Ministry's Press Department, who read out the statement at the news conference, dealt with scores of questions bearing on West Asia and East-West relations.

The Soviet Union, he said, pledged itself to continue its support to the Arab countries in West Asia. "The Soviet Government considers it necessary to repeat its determination to continue its comprehensive aid to the Arab States struggling for national independence."

US Supreme Court Ruling:

The official US admission that Jewish American citizens had been enlisted in Israel has only served to confirm long-standing Arab suspicions of direct US participation in military action against the Arabs, specifically in June, 1967. Because of this background, Arab anger now is much stronger and has been expressed even in a pro-American country like Jordan.

The chain of events began on May 29, 1967, when the US Supreme Court decided on the case brought by an American Jew, called Afroyim, who had voted in elections in Israel ten years before, which till then meant the loss of American citizenship. The Court decided that every American had a "constitutional right to remain a free citizen in a free country unless he voluntarily relinquishes that citizenship, which was taken to mean that voting abroad was not a bar to citizenship."

Thus American citizenship becomes not a privilege conferred by the State but depends wholly on the will and even the presumed intentions of the citizen—which the citizen does not have to profess but the State has to establish.

Some time later, in 1967, the Justice Department in Washington interpreted this Court decision as also meaning that military service in a foreign country should not necessarily cause a loss of citizenship, depending on how "hostile" that country was to USA.

The obvious political implications of this unorthodox decision, which are particularly relevant to Israel and hence to the West Asia crisis, were fairly widely commented on at the time, but the Arab Governments took no notice.

The seriousness of the situation does not arise from the Arab claim that Americans have served or are serving in Israel's armed forces, but from the public recognition that from now on they can openly do such things as flying Israeli **Phantom** planes with perfect legality. And Israel is a special case among the countries of the world because both in USA and in Israel there are powerful and efficient Zionist organizations whose sole aim is to get young American Jews to emigrate to Israel.

Maj.-Gen. M. Dayan On UAR's "Mistake":

Speaking to a group of American Jews in Tel Aviv on October 10, the Israeli Defence Minister, Maj.-Gen. Moshe Dayan said that Egypt had made a "great mistake" in abandoning the Suez Canal cease-fire without being prepared for the kind of warfare that followed.

Israel, he said, had replied to intensified artillery barrages and commando raids with its own Canal crossings and aircraft raids. In the outcome, it had cost Egypt far more that it did Israel. "I don't feel the worse for it."

He described President Nasser's *position as shaky. He said that Mr. Nasser had fired many top officers, and Egypt's internal situation had deteriorated.* Egypt was not ready to start a major war. He cited the Israeli amphibious landing on the Egyptian Gulf of Suez in September, 1969 and the almost daily air attacks in the same area as proof.

Asked if withdrawal from the occupied Arab lands was negotiable, he replied in the affirmative, but added that he personally believed Israel should not withdraw from Sharm al Sheikh guarding the Tiran Strait. He described on the Red Sea bastion as being more important to Israel than the Golan Heights captured from Syria in the 1967 war.

Maj.-Gen. M. Dayan On Acts Of War:

The Israeli Defence Minister, Maj.-Gen. Moshe Dayan said on October 21 that he expected a calmer Winter, but "acts of war" again next Summer.

Over the last six months, he said, "UAR and its armed forces have grown weaker, while Israel has strengthened its defences and lines of defence."

He said that the Golan Heights which Israel had captured from Syria during the six-day June, 1967 war must remain under Israel's control.

He disclosed that Israel would spend 40 per cent of its Budget, a total of £ 10,000 million, next year on security. Already she was spending £10 million a day on security and added: "Our struggle continues for a greater, stronger and more Jewish Israel."

Mr. Y. Allon On Palestinian Arab State:

The Deputy Prime Minister, Mr. Yigal Allon told foreign correspondents in Jerusalem on October 14 that Palestinian Arabs might try to re-establish their own State, and Israel should be prepared to negotiate such demands.

He said: "If the time is ripe for a Palestine-Arab State, they can do it any day they like. Israel may be witnessing a Palestine-Arab national entity in the making and should be prepared to discuss any demand such a State would make for the occupied (formerly Jordanian) West Bank territory."

He added that Arabs in such a State might demand that Israel return the West Bank territory across Jordan acquired in the Arab-Israeli war in 1948 which Jordan lost in the June, 1967 war.

Mr. Y. Allon On "Settlement In Strategic Areas":

Mr. Yigal Allon told Zionist leaders from Britain on October 31 that Israel must continue to establish settlements in strategically important areas. "We have as much right to the Sinai as the Egyptians."

Asked how Israel justified the establishment of settlements in Sinai, he replied: "The more settlements are established in strategically important areas, the greater our ability to establish secure borders in the future."

He said that Israel must refrain from drawing detailed maps, but he indicated that by not establishing settlements Israel was in effect "drawing a minimum map." This was "despite the fact that the Government has decided to take no decision on the secure borders to be decided upon at a peace conference."

Mrs. G. Meir On UN:

The Prime Minister, Mrs. Golda Meir, said in Beersheba on October 23 that Israel was no longer able to depend on UN.

Speaking at an election rally, she said: "The election of Syria to the Security Council, after that country had become an accomplice in an act of piracy, has strengthened Israel's decision to reject any advice to depend on UN. The UN has ceased to be an objective and just body dealing with world, and especially our, problems."

She added that Israel would never again agree to have UN Observers or truce-keeping force on her borders, responsible for demilitarized zones.

Mr. W. Rogers On "Some Progress":

The US Secretary of State, Mr. William Rogers, said in Washington on October 12 that "some progress" was being made in discussions with the Soviet Union in their efforts to bring peace to West Asia.

"Just say we made progress," he said in a nation-wide television programme, "Meet the Press." He would not elaborate.

He added: "We have developed the thought that the parties have to negotiate. We have to have more negotiations and we develop what is known as the Rhodes Formula which, we think, could lead to more active negotiations".

[The Rhodes Formula refers to the talks held between the Israelis and the Arabs on the island of Rhodes in 1948 through a UN intermediary.]

Asked if the UAR had not already rejected such talks as indicated by the semi-official Cairo daily, **Al Ahram**, Mr. Rogers said: "We are not too sure about that. It was an editorial in a paper that suggested that. But we have no reason to think that is the attitude of the Government as yet."

[**Al Ahram** had said that the UAR "refuses to negotiate with Israel, whether directly or indirectly, whether according to the Rhodes Formula or any other formula."]

The Fighting:

An Israeli spokesman announced that Israeli jets had roared across two fronts on October 2 in attacks on Jordanian Army position and Egyptian military objectives at the Suez Canal. All planes returned safely in both attacks.

Also, on October 2, Egyptian air and sea commando units launched a three-pronged attack on Israeli positions across the Gulf of Suez in the first co-ordinated operation.

It was the second Egyptian "special units" operation in a week. Air and sea forces struck the east coast of the Suez Gulf opposite the general area where Israel had launched a combined services operation three weeks earlier.

An Egyptian spokesman said that all Egyptian forces returned safely to base, but gave no details of the casualties or damage inflicted on the Israelis.

He said that while air-borne units

were attacking Israeli positions in Ras Matarma and Ras Malaab, 37 km apart, the naval force raided positions in between them.

The Chairman of the Palestine Liberation Organization claimed on October 2 that the commando organizations affiliated to the Palestine Armed Struggle Command had launched about 500 attacks in September and killed at least 300 Israelis. This worked out to 16 attacks and 10 Israeli fatalities a day.

An Israeli Army spokesman said that Israeli troops had crossed into Lebanese territory during the night on October 3-4 and attacked two Arab saboteur bases, blowing up a number of houses belonging to Arab saboteurs and their supporters.

The raids were mounted against two bases, one in Mazzaat-Bahrad Jat, east of the Hatsbani, and the other at Itron village in southern Lebanon.

Earlier in the night (October 3-4), Israeli forces defeated an Egyptian attempt to cross the Suez Canal north of the Great Bitter Lake.

An Israeli patrol killed two Arab saboteurs in a skirmish on the Jordan River on October 4. There were no Israeli casualties in the incident.

The Israeli military command said four Israeli soldiers were wounded when their Army vehicle struck a mine outside the Gaza Strip.

A spokesman said that Israel Air Force units brought down three UAR war-planes during an attempted attack across the Suez Canal into Israeli-held territory on October 6. Two Russian-built MIG-21s were hit in air combat. Their pilots were seen bailing out over UAR territory.

According to a UAR spokesman, two Israeli fighter aircraft and one Egyptian jet were downed in an air battle during the raid.

According to **Cairo Radio,** the UAR Air Force staged a massive attack on Israeli radar positions and missile launching pads on the eastern bank of the Suez Canal on October 6, and two Israeli fighter aircraft and one Egyptian jet were downed in an air battle during the raid.

According to an Israeli military spokesman, Israeli planes went into action against guerrilla bases east of the River Jordan on October 7 following a mortar and rocket attack by guerrillas on Israeli villages in the northern part of the Valley. Israeli guns also pounded the bases. The Israelis had no casualties and all their aircraft returned safely to base.

On October 8, Israeli jets pounded an Arab guerrilla base in the Irbid region of Jordan in two successive air strikes.

Military sources in Tel Aviv said that the target in the two raids was an Arab guerrilla base in Wadi Shallala, east of Irbid. The Israeli jets struck at guerrillas belonging to the El Saeka group known to be based there.

Two UAR soldiers were reported killed in an encounter with Israeli forces south of the Timsah Lake area in the Suez Canal sector on October 8. This was the first Israeli acknowledgement or reconnaissances which UAR said had been carried out on the Israeli bank overnight by UAR army units.

On October 12, Israeli jets attacked UAR military targets on the western coast of the Gulf of Suez.

Also, on October 15, Israeli jets swept into action on two fronts, hitting Egyptian missile sites and radar stations across the Suez Canal and Arab guerrilla positions in southern Jordan.

In the air strike against Jordan, Israeli jets pounded an area southeast of the Dead Sea from which rockets were fired at the Sodom potash works a few nights earlier.

In another action, an Arab guerrilla was killed on the Israeli frontier with Lebanon by troops combing the scene of a clash on October 14 in which three guerrillas and an Israeli soldier were killed and an Israeli wounded.

It was stated in Beirut that four rockets were fired at the office of the Palestine Liberation Organization, injuring 10 people on October 15. The PLO Director, Mr. Shafik Alhout, said he suspected that Israeli military intelligence was behind the attack. Mr. Alhout received a small cut in the hand. Some others were slightly hurt. One person was taken to hospital. The rockets were fired from a building opposite the PLO office. Rocket launchers were found in an apartment at the same level as the PLO office.

Next day (October 16), Israeli jets streaked across the Suez Canal and hit UAR military targets.

On October 21, Israel said that UAR mortars fired across the Suez Canal in the El Qantara area wounding five Israeli soldiers. This had started an exchange of gun and automatic weapons fire practically throughout the day.

UAR said its troops attacked successfully across the Suez Canal and an Israeli force was driven off as it tried to land in Egypt.

It claimed that regular Army commandos crossed the Canal and blew up all installations at an Israeli position near the Bitter Lakes and returned without losses.

Israel had attacked earlier in the morning on October 21 on the west coast of the Gulf of Suez, about 60 miles south of Suez town. Coast guardsmen engaged the Israeli unit and drove it off, wounding several Israelis. One Egyptian was killed.

On the cease-fire line, the Israeli Army reported that UAR troops fired Russian-made rockets and mortar shells at a potash works on the shores of the Dead Sea shortly before mid-night on October 21. The fire was returned.

No casualties were reported, but there was some damage to the plant's electrical system.

Explosive charges that police said were set by saboteurs ripped through three apartment buildings atop **Mt Carmel** on October 22, killing one man and injuring ten persons.

The attacks followed similar incidents in other Haifa areas, notably in an open air market, in dwellings and at oil installations.

On October 22, Israeli jets blasted UAR military positions along the Suez Canal after two Israelis were killed and eight wounded in two days of sporadic exchanges of artillery and small arms fire.

The strike was the first Israeli air strike for almost a week following an almost daily series during which at least eight Soviet-built SAM-2 missile bases and their accompanying radar stations were believed to have been put out of action.

According to Cairo, Israeli forces occupied the village of Kaft Kala in south Lebanon on October 22.

According to UAR, Arab war planes raided Israeli positions in northern Sinai on October 22. This was the first Egyptian air raid on the Israeli-held eastern bank of the Canal since October 6.

On October 23, according to Tel Aviv, Israeli planes struck on two fronts hitting UAR military installations on the Suez Canal and suspected commando bases inside Jordan. The planes swooped across the Jordan River cease-fire line to hit "terrorist bases".

The raid followed Arab commando attacks on two Israeli border police patrols south of the Sea of Galilee.

The Israeli raid on UAR followed one of the UAR's deepest penetrations into Israeli-held Sinai reported since the 1967 six-day war in what the Israelis said was an unsuccessful attempt to bomb a para-military settlement on the Mediterranean.

In Cairo a **communique** said: "Enemy camps and outposts in the area, about 100 km from the Suez Canal were left in flames. All our planes returned safely to base after successfully accomplishing their mission."

This was the first UAR air raid on the Israeli-held eastern bank of the Canal since October 6. It was also the first night-time aerial attack by UAR since June, 1967.

Israeli jets blasted UAR military targets on the east bank of the Gulf of Suez in the fifth air strike against UAR in less than 48 hours on October 24.

On October 30, Israeli and Arab forces exchanged fire near a para-military unit in the occupied Golan Heights of Syria.

The Israeli returned the fire which lasted for about 1½ hours. No Israeli casualties were reported.

UAR war-planes roared across the Suez Canal twice on October 31 to strike at Israeli troops and installations in the occupied Sinai. It was the first UAR aerial attack against the Israelis in the Sinai since October 26.

An Israeli military spokesman said the UAR MIG-17s struck the El Qantara area. This was followed by an attack by Sukhoi fighter-bomb*ers against the Israelis in the Babrit area on the Canal. Kabrit is a UAR air base about 67 km south of El* Qantara.

Only four planes were involved in each attack and the raids lasted only a few minutes. There were no Israeli casualities or damage caused by the Soviet-made planes.

(**The New York Times, The Times**, London, **The Statesman**, Calcutta and **The Times of India**, Bombay)

[Prev. ref. 9212:ISR:A]

JAPAN

A. Cut In Rice Acreage Proposed: The Agricultural Administration Council, in the first week of October, submitted to the Prime Minister, Mr. Eisaku Sato, a report calling for a cut in rice acreage to pave the way for modernizing the farming industry.

The Council, an advisory body, drew up the report after ten months of study in response to Mr. Sato's proposals for agricultural reforms.

The report pointed to the need to solve problems posed by mounting rice surplus before the nation launched a comprehensive programme for modernization of agricultural administration.

In this respect, the report put emphasis on measures for controlling rice production and asked the Government to consider the following steps in working out its policy:

(1) Changing part of the rice acreage to other crops and dairy farming;

(2) Slashing the producer's rice price, with the gap between the present price and the reduced one covered by Government subsidies;

(3) A revision of the food control system or some provisional legislation should be considered so that the Government could freeze its rice purchase price.

The report, among other things, proposed that the Government provide positive co-operation for promotion of exports and imports of agricultural products.

Addressing the Council meeting, Mr. Sato said he would do his best to modernize agriculture and create new farming communities in the country.

He said Japan's agriculture industry was beset with difficulties amid rapid economic growth of the nation.

The Agriculture-Forestry Minister, Mr. Shiro Hasegawa, said that the Government would like to decide its policy on the basis of the recommendations after thorough consultations with the Liberal-Democratic Party, rice growers' associations and Government experts.

Mr. Tomoo Miyawaki, a member of the Council representing rice producers, urged the Government to "take special care" in adjusting rice production to cushion the impact on rice growers.

Bigger Crop Forecast:

During the week, Mr. Hasegawa also told the Cabinet that this year's rice crop would exceed 14,167,000 tons. The rice crop for this year would top the 14-million-ton mark for the third time in history after 1967 and 1968. It reached 14,453,000 tons in 1967 and 14,449,000 tons in 1968.

The estimate was made on the basis of a crop survey as of September 15. It was better than the previous estimate made as of August 15.

The anticipated bumper rice crop will exceed the demand for rice, now estimated at 12,400,000 tons a year, by about 1,500,000 tons. The country's rice surplus, as a result, will rise further to about 7,100,000 tons.

Meanwhile, the Director-General of the Food Agency, Mr. Tokutaro Higaki, indicated that in the Government's view there was no feasible way to dispose of the current rice stock surplus other than using old rice as feed for live-stock.

Mr. Higaki discussed alternative measures to reduce the surplus at a session of the Rice Price Council.

He warned that unless some steps were taken to restrain rice production, rice stocks would grow from the present 5,600,000 tons to 25 million tons, or double the annual rice demand, in nine years.

Along with the production restraint, he suggested that rice carried over from the year before be released as livestock feeds, at a rate of two million tons a year. Various proposals advanced so far to cope with the rice surplus were all inadequate. A plan to subtitute old rice for imported soybean and other materials for miso (fermented bean paste) and soy sauce, for instance, would require the use of only 140,000 to 150,000 tons of old rice.

He told the Council that 1,200,000 tons would be enough to meet the needs of domestic consumers.

(**The Japan Times**, Tokyo)

[Prev. ref. 8636:JAP:C]

B. Aviation Agreement With USA: Japan and USA concluded their aviation talks in Tokyo in the first week of October when they signed a memorandum allowing Japan Air Lines (JAL) to fly to New York from Tokyo on the great circle route via Anchorage (Alaska).

JAL will also be allowed to operate a Tokyo-Saipan-Guam service under the new arrangement signed by the two countries.

In return, Japan agreed to let US airlines increase the annual number of chartered flights to Tokyo to 55 this year and 75 in 1970 from the present 46. No restrictions were set, however, on the number of chartered flights to carry visitors to the Japan World Exposition to be held in Osaka in 1970.

In the talks, Japan failed to obtain consent to its demand for routing JAL's great circle flights to New York by way of Chicago as well as Anchorage. The matter will be discussed at a meeting to be held not later than the end of 1970.

The memorandum made it clear that Japan agreed to resume negotiations in Tokyo next Spring over the number of chartered flights by US airlines to Tokyo from 1971 onwards.

Under the new arrangement, JAL will be able to operate two trans-Pacific services — the newly-won shortest trans-Pacific route to New York and the existing mid-Pacific route by way of San Francisco. This meant that Japan had achieved parity with the US carriers in the number of trans-Pacific routes.

(The Japan Times, Tokyo)

[Prev. ref. 6927:JAP:B]

KOREA (North)

A. Report On Economy: According to two reports on the 1968 economy and Budget estimates for 1969, prepared by the Minister of Finance, Mr. Yun Ki-pok, revenue is expected to rise by 19 per cent.

The allocations also showed that a greater share of the State funds had been earmarked for development of extractive and power industries.

The following is a summary of the two reports:

"Despite the difficulties encountered during 1968, industrial production increased by 15 per cent over that of the preceding year.

"Emphasis was on capital construction, which accounted for 48.9 per cent of the economy. New thermal and hydro-electric power stations were built and existing power stations enlarged. In the mining industry, a number of new mines were commissioned.

"Investment in the metal industry was 70 per cent greater than it was in 1967. Existing iron and steel works were modernized, and construction has started on a ferrous-metallurgical works. Outputs of iron, steel, and various non-ferrous metals needed for economic development and defence showed a marked rise.

"In the chemical industry, manufacturing of chemical fibres, synthetic resin and tyres was expanded and an oil refinery constructed. Outputs of phosphate and molecular fertilizers with indigenous raw materials increased, and a substantial rise was achieved in the output of various agricultural chemicals, weed-killers, and other pesticides.

"Funds allocated to the building industry were raised by 80 per cent and plans for the expansion of building-material plants were pushed forward. New textile plants were erected.

"Over the last five years, 21 per cent of capital construction investment had been allocated to the rural sector. Irrigation systems have been established and electricity is now supplied to almost all the villages and to 91.2 per cent of peasant households. The number of tractors per 100 **chongbo** of arable land reached 1.22 (in terms of 15 h.p. units) at the end of last year.

"Thirteen thousand electric motors and other machines and installations were supplied **gratis**. Expenditure on social services and cultural activities was increased by 20 per cent and the number of dwelling houses was up by 70 per cent. More funds were also allocated towards public health and education.

"These estimates placed revenue and expenditure for 1969 at 5,995 million won, with revenue 19 per cent higher than the 1968 figure and expenditure up by 24 per cent. Funds for the development of the national economy have been increased by 27 per cent, and the capital construction fund is expected to be 37 per cent higher.

"Engineering is to receive 13.5 per cent allocated to the industrial sector. The Budget envisages a 300 per cent increase in the production of various machine tools, motor vehicles, tractors, electric motors, and generators. There should also be an increase in numbers of large Korean-built excavators, heavy-duty lorries, ships, complex machine tools and precision machines.

"To ease the strain on transport, appropriation for rail improvements has been increased by 50 per cent. The year 1969 will see the completion of the electrification of the railway between Myongchon and Chongchin, and between Pyongyang and Chongchin. Hundreds of kilometres of track will be replaced with rails capable of taking heavy-duty wagons. New rail links will come into operation and rolling stock augmented.

"To boost agricultural production, irrigation systems will be consolidated and a larger proportion of farms mechanized. There will be an increase in the allocation of chemical fertilizers by 20 per cent a **chongbo.**"

Mr. Yun Ki-pok, completing his report, said it was necessary for the economic development of the country that the extractive and power industries be advanced ahead of the other sectors.

He added: "In the coal industry, there is need for more geological surveys and training facilities. Existing mines will have to be enlarged and mechanized.

"There should be a transition in open-cast mining in order to develop and expand small and medium-size collieries on a large scale, and at a pace that should result in more fuel and power to meet the demands of all branches of the economy."

(Far East Trade, London)

[Prev. ref. 7487:KRN:A]

KOREA (South)

A. Cabinet Re-shuffle: President Park Chung Hee carried out a Cabinet re-shuffle on October 21 in the wake of his landslide victory, with 65.1 per cent supporting him in the national referendum for approval to seek a third term in 1971 (see page 9254).

In the re-shuffle, he removed Mr. Lee Hu Rak as Chief Presidential Secretary and Mr. Kim Hyung Uk as Director of the Central Intelligence Agency.

The two posts were filled by the Commerce and Industry Minister, Mr. Kim Chung Yum, and the former Army Chief of Staff, Gen. Kim Key Won, respectively.

The Prime Minister, Mr. Chung Il Kwon, and the Deputy Premier, Mr. Kim Hak Yul, were retained in the 21-member Cabinet.

(The New York Times)

[Prev. ref. 8528:KRS:A, 9254:KRS:A]

NEPAL

A. Sir Edmund Hillary' Refused Permission: The Government refused permission to Sir Edmund Hillary on October 30 to take an expedition to the 21,700-foot Mt **Karyolung**, 15 miles west of Mt **Everest.**

The Government told Sir Hillary that virgin **Karyolung** overlooking the Nepal-China border was not open for climbing.

(The Statesman, Calcutta)

[Prev. ref. 6385:NEP:B]

PAKISTAN

A. Right-wing Political Alliance: The **Daily News** of Karachi reported on November 1 that two leading Right-wing political leaders had forged an alliance at meetings in London.

They were Sheikh Mujibur Rehman, chief of the East Pakistan Awami League and Mian Mumtaz Mohammed Khan Daultana, a former Chief Minister of Punjab.

The **Daily News** reported that the alliance had the backing of an influential West Pakistani industrialist and politician, Mr. Yusuf Haroon.

It added that Mr. Mujibur Rehman and Mr. Daultana might approach the former Foreign Minister, Mr. Z. A. Bhutto, who was also in London. Mr. Bhutto appeared to have moderated his Leftist leanings to a point where he could ally with the Awami League.

With the Army planning to hold elections by the middle of 1971 and turn the country over to civilian politicians, such an alliance could from the basis of a ruling Right-of centre coalition in Parliament.

(The Statesman, New Delhi)

[Prev. ref. 9228:PAK:B, 9229:PAK: C]

PHILIPPINES

A. Soft Loans By ADB: The President of the Asian Development Bank (ADB), Mr. Takashi Watanabe, on a visit to Tokyo, said on October 27 the ADB "hopes to give loans on softer terms and for longer maturity periods than at present."

He said that the Bank had so far issued three "soft loans"—two to Indonesia and one to Ceylon—at *three per cent interest per year for periods of 25 to 30 years.* The Bank *hoped to* give loans at less than 3 per cent and for longer than 30 years.

In less than two years of full-scale operations, the Bank had approved *14 loans totalling $84.9 million.* "I am *unequivocally* in favour of more and better aid from all sources to the developing countries."

(The Japan Times, Tokyo)

[Prev. ref. 9023:AOA:F]

SOUTH YEMEN

A. Break With USA: South Yemen broke off relations with USA on October 24 and ordered all members of the Embassy in Aden to leave the country within 24 hours.

An announcement made after the US **Charge d'Affaires** had been summoned to the Foreign Ministry said that the decision to sever relations was taken because of the "hostile US attitude towards Arab causes."

The United States asked Britain to handle its interests in South Yemen.

(The Times, London)

[Prev. ref. 8099:SAF:A]

TURKEY

A. USA To Return Two Military Bases: It was officially announced in Ankara on October 8 that two American military bases, established on the Black Sea coast within the frame-work of the Atlantic Alliance, would be handed over to Turkey as soon as possible.

The handing over of these bases, with others to follow, was the outcome of an Agreement signed between Turkey and USA in July. This replaced over 50 separate bilateral Agreements signed over the past 20 years.

The Foreign Ministry said that Turkish personnel who would eventually man the bases at Samsun and Trabazon had been selected, and some were already receiving training in USA.

Foreign Ministry sources said that eventually all American-manned bases would be handed over to Turkey. Talks were continuing to fix the details and procedures. Next on the list for transfer were the Cigli Air Base at Izmir and a naval base at Karamusel on the Marmara Sea.

(The Egyptian Gazette, Cairo)

[Prev. ref. 9096:TUR:A]

VIET-NAM (DR)

A. Increased Assistance From China And USSR: Both China and the Soviet Union have pledged increased economic and military assistance to North Viet-Nam.

According to an Agreement signed in Peking on September 27, China undertook to provide North Viet-Nam in 1970 with economic and military aid. The Agreement was signed for North Viet-Nam by the Vice-Premier, Mr. Le Thanh Nghi, and the Chinese Vice-Premier, Mr. Li Hsien-nien, for his country. No other details were given.

In the third week of October, the Soviet Union signed an Agreement to supply North Viet-Nam with wide-ranging military and economic aid "necessary for strengthening defence capacity" and restoring and developing the economy. The aid was to include considerable quantities of food, transport equipment, cotton and fertilizers as well as arms and ammunition.

Mr. Pham Van Dong's Visit To Moscow:

In a Joint Statement issued at the conclusion of Mr. Pham Van Dong's visit to Moscow on October 20, he spoke warmly of Soviet "assistance in all fields to help defeat the United States aggression."

The strongest denunciation of the US war effort in South Viet-Nam came in the sections of the Statement attributed to the North Viet-Namese. But the Soviet Union felt obliged to state that it "resolutely condemns the armed intervention of the United States imperialists in the affairs of South Viet-Nam" and to promise Hanoi "all necessary assistance until the complete victory of their just struggle to liberate the South, defend the North and peacefully re-unify the country."

Moscow also supported Hanoi's demand for the complete and unconditional withdrawal of all US forces from the South.

Unlike the North Viet-Namese, the Soviet side did not condemn the American stand at the Paris peace talks. At the same time, while the Soviet Union seemed to have agreed on a tougher line on the war, the Statement implied that Moscow, in contrast to Peking, did not see success on the battlefield as the only road to a communist victory.

In a speech honouring his North Viet-Namese counterpart, Mr. Pham Van Dong, the Soviet Premier, Mr. A. Kosygin promised support as long as needed "in repelling imperialist aggression."

Mr. Pham Van Dong replied that his talks with the Soviet leaders had shown "splendid results" and the agreement had shown Moscow's will to strengthen its all-round support to North Viet-Nam.

Speculative estimates of Soviet aid suggest something in the neighbourhood of $3,000 million to $4,000 million since the war started.

(The Times, London)

[Prev. ref. 8170:CHI:C, 8725:VND: A]

ASIA OUTSIDE ASIA

A. Food Losses Through Spoilage And Waste: Staggering statistics of world food losses through spoilage and waste have been given in a booklet **Food Losses, The Tragedy....And Some Solutions** published by the UN Food And Agriculture Organization in Rome.

Rodents, locusts and other pests take an alarming toll of crops and food lying in warehouses and granaries, cancelling out much of the effort to increase production for expanding populations. In both advanced and developing countries, the problem begins with the land itself.

In Africa the Sahara Desert, already a great wasteland, is steadily encroaching into arable areas along its 6,000-km southern perimeter. Over the last 50 years it had advaned at an annual rate of 1.5 to 10 km largely because of overgrazing and the burning of pastures to speed new growth.

An estimated 15 per cent of the world's agricultural land is affected by wind and water erosion. Torrential rains in the Philippines have damaged up to 75 per cent of the land owned by farmers, while in Somalia 90 per cent of all farmlands have been eroded or are threatened by water rushing down from escarpments in the interior. Poor irrigation methods defeat the purpose for which they were intended.

Burning forests to clear land for subsistence farming has progressively exposed some 50 per cent of the world's exploitable soils to erosion or infertility. In Africa, at least 100 million hectares of tropical forest have disappeared in this way. In Asia 8 million hectares and in Latin America 5-10 million hectares of forest are similarly destroyed annually.

Direct food waste is most evident in destruction by pests, diseases and weeds. One authority has estimated world-wide losses from these sources to total $24,000 million to $48,000 million a year. This includes losses in developed countries too.

In USA, in 1963, it was found that the ravages of insects in fields and stores had nullified the work of a million men, or 10 per cent of the country's farm labour force. Waste of this kind robs hundreds of millions of people of at least a fifth of the food they might be eating. "In more direct human terms, it means that where there might have been enough food for five children to eat properly, one, owing to waste, will starve."

In Latin America, annual crop losses from pests, diseases and weeds have been stated to reach a level of 40 per cent. In Central Africa, 50 per cent of sorghum was found to be eaten by insects during a 12-month storage period. In Asia, a great deal of rice is lost because growers do not find it worthwhile to dry it; losses of this kind have been estimated to approach 3 million tons a year.

Rats, locusts and other predators exact a staggering toll. An outbreak of rats in two Philippine provinces in 1952-54 resulted in losses of 90 per cent in rice, 20-80 per cent in maize, and more than 50 per cent in sugar-cane.

Mishandling of food in shipment and storage also causes untold losses. Birds pecking holes into bags can cause losses of up to 70 per cent of the contents. Poor packing causes both spillage and spoilage.

The booklet in its conclusion stated: "The ultimate object...is to reverse the downward spiral of poverty and waste and turn it into an upward surge of more food for the farmer and fisherman and their families, more for sale, better quality, better living, and—in the country as a whole—more for export, producing a sound economy in which further improvements are possible."

(**Far East Trade**, London)

[Prev. ref. 8488:AOA:A]

B. IFC Investment In Asia: The International Finance Corporation (IFC), a World Bank affiliate to help private enterprise in developing countries, invested $54 million in Asia and the Middle East during the year ended June, 1969.

According to the IFC annual report, 58 per cent of the Corporation's investments of $92.9 million during the year was allotted to this region and would help to finance projects with a total cost of $262 million.

IFC's largest single investment in its 13-year history was made in Asia during the year. This was a $22.1 million commitment to a $60 million expansion of the Siam Cement Group companies. The Corporation's previous large investment was a $20 million commitment to a Mauretanian copper mine in 1968.

The report said that participations in the IFC commitment to Siam Cement by private banks and other financial institutions had also set a record. Nineteen such participants—in North America, Europe and Asia—took $14.9 million, or 67 per cent of IFC's commitment in Siam Cement, exceeding considerably participations in any previous IFC investment.

The new commitments of $92.9 million in 1969 were in 24 private companies, with project costs—total investments by IFC and others— of $505 million. Commitments during the year were 84 per cent higher than in the previous year and raised total investments by the Corporation's 131 enterprises to $365 million. Project costs of these enterprises totalled $2,165 million or some six times IFC's investment.

Under a new policy, IFC took a more active role in the promotion of development investments in 1969. The Corporation took primary responsibility for organizing a joint venture in cement production in Indonesia, invested in promotional companies in Colombia and Honduras and pioneered in tourism development through a specialised company set up to promote tourism on a countrywide scale in Tunisia.

The innovation in Tunisia—setting up an institution specializing in integrated assistance to a single industry of high developmental potential—is expected to be applicable in other countries and in industries other than tourism as a means of realising the full potential, on a national scale, of a promising industry.

A $15.9 million commitment to the Zuari Agro Chemicals Limited in Goa is IFC's largest single commitment to India. The company will establish a fertilizer plant at a cost of over $70 million. The sponsors of Zuari, the US Steel Corporation and the Birla group of industries, are supplying over 50 per cent of the new company's share capital, which totals $16.6 million. IFC's investment consists of a common share subscription of $3.9 million, a loan of $12.15 million and a contingent commitment for a further $600,000.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 8830:PAK:B]

C. World Bank Report: According to the latest annual report of the World Bank and its affiliate, the International Development Association (IDA), released on September 26, commitments by the two lending bodies reached a record level in the fiscal year that ended on June 30.

Assistance to industry, largely made up of loans to development finance companies, amounted to $366 million, or $241 million if an industrial imports credit to India was excluded. The comparable figure of the previous year was $191.5 million.

A comparison of loans and credits by purpose in 1969 with the average over the previuos five years (1964-68) showed that loans and credits for agriculture in 1969 were 198 per cent above the 1964-68 average; for education, 156 per cent up compared with 1964-68; for industry (excluding industrial imports credits), up by 72 per cent; for transportation, up by 32 per cent; for public utilities up by 30 per cent.

A comparison of lending by area in fiscal 1969 with the average over the previous five years showed that lending to Africa in 1969 was 116 per cent above the 1964-68 average; lending to Asia and West Asia rose by 62 per cent compared with 1964-68; lending to the Western Hemisphere by 52 per cent; and lending to Europe by 21 per cent.

The especially high rates of increase during the year, both by area (Africa) and by sector (agriculture and education), reflected the World Bank's priorities as indicated by the President of the World

Bank, Mr. Robert S. McNamara, in his speech to the World Bank's Governors on September 30, 1968.

The report noted that the net total flow of resources from the developed to the developing world grew in absolute terms in 1968. There was a sharp rise in private capital investment, but preliminary estimates showed a slight fall in official flows. Official and private flows combined, estimated at $12.8 billion, represented about 3/4 of one per cent of developed countries' combined GNP in 1968.

Commitments during the 1969 fiscal year brought the cumulative total of World Bank and IDA lending to $14,793 million, of which $6,424 million, for 357 projects in 84 countries, had been committed during the last five years.

Loans and credits for agricultural development totalled $367.3 million —more than double the previous year's figure of [172.5 million (itself a record). *This included the largest agriculture loan ever made by the World Bank ($65 million for a livestock project in Mexico), the group's first financing in Indonesia, and its first loan for seed production—$13 million—to India.*

World Bank and IDA lending for public services amounted to nearly *$1,000 million in fiscal 1969. Loans and credits of $474.5 million were made for transportation projects (compared with $247.3 million in 1968)*, and $485.1 million for public utilities ($317.5 million in 1968), of which $369.8 million was for electric power (1968: $268.5 million), $80.7 million for tele-communications (1968: $27 million) and $34.6 million for water supply and sewer systems (1968: $22 million).

(UN Newsletter)

[Prev. ref. 8665:AOA:C]

D. Elections To World Court: Five new members were elected to the International Court of Justice at The Hague on October 27.

In simultaneous elections held by the General Assembly and the Security Council, Mr. Jimenez de Arechaga of Uruguay, Mr. Hardy Dillard of the United States, Mr. Platon D. Morozov of the Soviet Union, Mr. Federico de Castro of Spain and Mr. Ignacio-Pinto of Dahomey were declared elected, having secured an absolute majority of votes in the Assembly and the Security Council.

While the five successful candidates got an absolute majority of 65 votes on the first ballot in the Assembly, it required six ballots in the Security Council to resolve the tie for the fifth seat, Mr. Ignacio-Pinto winning on the sixth.

In the Council, on the first ballot, Dr. Nagendra Singh of India, the Thai Foreign Minister, Mr. T. Khoman and Mr. Ignacio-Pinto got four votes each and the UN legal counsel and a Greek national, Mr. Stavropoulos, three. On the second, third and fourth ballots, Dr. Singh was leading with six, Mr. Ignacio-Pinto got four, Mr. Khoman three and Mr. Stavropoulos two. On the fifth ballot, Mr. Ignacio-Pinto took a lead with seven votes, Dr. Singh got five, Mr. Khoman one and Mr. Stavropoulos two. On the sixth ballot, Mr. Ignacio-Pinto got nine votes and Dr. Singh got six votes.

In the Assembly, on the first ballot, while Mr. Ignacio-Pinto got 69 votes, Dr. Singh 62 votes.

The ultimate result was somewhat a surprise and appeared to be the outcome of a deal between the South American nations and the Spanish and African nations to protect each other's candidate.

The new judges replaced for nine-year terms Mr. Philip C Jessup of USA, Mr. J. L. Bustamante y. Rivero of Peru, Mr. V. M. Koretsky of the Soviet Union, Mr. G. Morelli of Italy and Mr. K. Tanaka of Japan.

Dr. Nagendra Singh's failure to secure election to the World Court was interpreted in New Delhi as the unfortunate result of two Asian countries—India and Thailand—competing with each other in a world forum, only to benefit third parties.

Initial reaction in Delhi was inclined to accept reports that the Latin American and African groups had combined to deprive India of a seat on the World Court which was, by convention, Asia's. Besides, US support for Thailand had played a role in the Indian candidate's defeat. This, however, could have come as no surprise to India because Washington had officially informed New Delhi of its decision to support the Thai candidate in view of its special relations with that country.

(**The New York Times** and **The Times**, London)

[Prev. ref. 7441:AOA:B]

E. Elections To International Atomic Energy Agency: Pakistan and South Viet-Nam were elected to represent Asia on the Board of Governors of the International Atomic Energy Agency (IAEA) Conference which concluded its 13th session in Vienna on September 29.

The session also approved the IAEA Budget for 1970, re-appointed Mr. Sigvard Eklund as Director-General of IAEA, and adopted a resolution regarding the Agency's responsibility in connexion with the use of nuclear explosives for peaceful purposes.

The regular Budget amounted to $12,250,000. In addition, a target was again set at $2 million for voluntary contributions for technical assistance which, together with the income for special purposes, would make a total of $14,837,000, as compared to the previous year's budget of $13,763,000.

Board Of Governors:

The following were elected to the Board of Governors for two years: Uruguay (Latin America), Hungary (Eastern Europe), Nigeria and Morocco (Africa and West Asia), Pakistan (South Asia), South Viet-Nam (Far East) and Spain (member-at-large).

Those countries whose terms of office had expired included Algeria, Bulgaria, Ceylon, Malagasy, Peru, the Philippines and Turkey.

(UN Newsletter)

[Prev. ref. 8104:AOA:I]

F. New President Of Brazil: It was officially announced in Rio de Janeiro on October 7 that Gen. Emilio Garrastazu Medici, a 63-year-old cavalry officer, had been elected to succeed the ailing Dr. Arthur da Costa Silva as President of Brazil.

(**The Times**, London)

G. Two New Stars Discovered: Two new stars—known as pulsars—have been discovered by scientists at Britain's giant Jodrell Bank telescope station.

The discovery was made while the telescope was being refitted.

The two new pulsating stars—named JP-2022 and JP-2113 (JP stands for Jodrell Pulsar)—were spotted within an hour of one another. It brought the total number of known pulsars to more than 40.

(**The Times**, London)

[Prev. ref. 5854:AOA:A, 5902:AOA:J]

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CEYLON

A. IDA Assistance: A credit equivalent to $2.5 million from the International Development Association (IDA) to finance a drainage and flood control works in Ceylon was announced in Washington on October 31.

The project will also increase the income of 10,000 farmers and improve Ceylon's balance of payments position through savings on rice imports.

[Agriculture is the largest single sector in the economy of Ceylon. It accounts for over one-third of the gross domestic product, 90 per cent of foreign exchange earnings (mainly tea, rubber and coconuts), and employs more than half the population. In recent years about half of the total imports has been accounted for by food, mainly rice, and Government policy has been to reduce the need for food imports by increasing production at home. This policy has met with considerable success in the last two or three years. Between 1962 and 1968 the acreage planted to rice has increased by 13 per cent and yields have risen by 22 per cent. There has also been a marked increase in the production of subsidiary food crops.]

The project being assisted by the IDA credit is part of the Government's programme to increase rice production. The works to be undertaken will be located in six non-contiguous areas along the south-western coast. Agricultural production in the areas is now limited and uncertain because of poor drainage and frequent flooding. The works to be undertaken involve an improvement of drainage by deepening, enlarging and extending the system, improvement of drainage outlets to the sea, and construction of levees with control structures.

The total estimated cost is equivalent to $4.1 million. The IDA credit of $2.5 million will cover approximately 60 per cent of the total, and the remainder will be met by the Government. The Irrigation Department, an agency within the Ministry of Land, Irrigation and Power, will be responsible for the execution of the project.

The IDA credit to the Government will be for a term of 50 years, including a 10-year grace period. It will be interest-free, but a service charge of 3/4 of one per cent will be made to cover IDA's administrative costs.

The Food and Agriculture Organization of United Nations assisted in the identification and appraisal of the project under the Bank-FAO Cooperative Programme.

((World Bank Release)

[Prev. ref. 9205:CEY:C]

B. Government Take-over Of Schools In Plantations: The Government accepted in the House of Representatives on November 5 a private member's motion calling for early steps for State take-over of all schools in tea plantation areas.

The Lower House adopted the motion unanimously and thus conceded a long-standing demand of the Indian estate labour for integration of their schooling system with the national educational scheme.

At present, schools in the plantation areas are run by the estate owners and are ill-equipped, unhygienically maintained and staffed mostly by unqualified teachers.

The motion, tabled by Mr. K. P. Ratnam and seconded by Mr. A. Amrithalingham, both of the Federal Party of Tamils, will ensure for the children of the estate labour free education and the same curricula as those adopted by the rest of the schools in the Island.

(**The Hindu,** Madras)

INDIA

SUMMARY: Mrs. I. Gandhi Expelled From Congress Party—Split In Organization; Two Central Ministers Resign; Mr. Pal Losonczi's Visit; Presentation Of Nehru Award.

A. Mrs. I. Gandhi Expelled From Congress Party—Split Complete: The Congress Party formally split on November 12 when Mr. S. Nijalingappa's half of the Congress Working Committee expelled Mrs. Indira Gandhi from the party and directed the Congress Parliamentary Party to immediately elect a new leader.

Before the Working Committee passed a resolution removing Mrs. Gandhi from the primary membership of the Congress, a fresh compromise bid was made by Mr. C. B. Gupta, despite the collapse of unity efforts by him and other Party Chief Ministers on November 11. But this did not produce any results and the Working Committee decided to proceed against Mrs. Gandhi for "deliberately" defying its decision and for actively sponsoring the setting up of a rival Working Committee and a rival A-ICC and "by her other actions and attitudes, spreading indiscipline in the Congress."

The meeting, presided over by Mr. Nijalingappa, was attended by ten other members. It lasted about three hours. Although the resolution, which was a strong indictment of Mrs. Gandhi and her supporters, was finalized by the Committee at its meeting on November 11, it decided to defer action against Mrs. Gandhi pending the outcome of the unity efforts by the Congress Chief Ministers initiated by Mr. Mohan Lal Sukhadia. Since both sides had adopted rigid postures, the Chief Ministers' meeting proved yet another abortive attempt to bring the two warring factions together.

As the Working Committee was in progress on November 12 discussing the draft resolution, Mr. C. B. Gupta and the Chief Minister of Gujarat, Mr. Hitendra Desai, left the meeting for talks with Mr. Sukhadia who was acting as the spokesman of Mrs. Gandhi's group. They returned to the Working Committee disappointed as there was no meeting ground between the two camps.

Characterizing Mrs. Gandhi's removal from the primary membership of the Party as the "saddest moment in the history of the Congress," the Working Committee said in another resolution that it was an hour of self-introspection. "Let not the future historian say of us that in the hour of peril, both to the Congress and the nation, we wavered and faltered in our loyalty to the great organization to which we all have the honour to belong."

It warned all loyal Congressmen that the immediate future would be one of trials and tribulations and they had to be vigilant and prepared for whatever sacrifices that might be demanded of them to maintain the integrity of the organization.

In the first resolution, which was originally drafted by Mr. Morarji Desai, the Working Committee said that Congress was badly split, with indiscipline indulged in by Mrs. Gandhi and some of her colleagues. The Committee, however, in its anxiety to maintain the unity of the Party for the sake of democracy and the country, condoned this indiscipline. But, the hope entertained at the time of passing the August 25 Unity Resolution had been shattered by subsequent events.

The Working Committee referred to the campaign launched for ousting the Congress President and said it was inspired and organized by Mrs. Gandhi and her colleagues. It was significant that barring a few exceptions, all Ministers, whether at the Centre or in the States where the Chief Ministers fell in line with the leading organizers, put their signatures to the document. Pressure tactics and other influences had brought reluctant signatures from other A-ICC members who signed the document.

Such a thing had never happened in the Congress' history before. In the event of differences between the Prime Minister and the Congress President in the past, talks and discussions at the top level were enough to bring about the desired results. But in the present case, the entire organization was exposed to false and misleading propaganda and "pressurized" to toe a particular line. This was not a situation which the Working Committee, charged with the responsibility of maintaining the dignity and discipline of the Party, could view with equanimity.

Mr. Nijalingappa took some steps to maintain the dignity of the Working Committee and removed Mr. Fakhruddin Ali Ahmed and Mr. S. D. Sharma from the Committee. Mr. C. Subramaniam had ceased to function as a member of the Committee when he ceased to be a member of the A-ICC.

Mrs. Gandhi and some other members not only boycotted the Working Committee on November 1 and 2, but held their own separate meetings and questioned the authority of the legally-constituted Working Committee and refused to abide by its decisions.

While the Working Committee declared that the requisitioned A-ICC meeting was unconstitutional, Mrs. Gandhi and her colleagues had sponsored such a meeting to consider a proposition declared out of order by the Working Committee. "A parallel Working Committee and parallel A-ICC are patent and grave acts of indiscipline."

The Working Committee endorsed the stand taken by Mr. Nijalingappa in his letter to Mrs. Gandhi on October 28. In her reply, Mrs. Gandhi had defended her "illegal act" in convening a special A-ICC session and refused to recognize the authority of the Working Committee.

It said that this stand of Mrs. Gandhi was in keeping with her conduct at the time of the Presidential election, the tenor of her public pronouncements on her position as Prime Minister, her constant denigration of the Party, her tendency to divide Congressmen, her peculiar attitude to the question of discipline, her basic and overriding desire to concentrate all power in her hands so that her colleagues were her nominees in any offices they might occupy.

This spelt grave danger to the democratic functioning of the Party. The Working Committee was, therefore, "regretfully" obliged to remove Mrs. Gandhi from the primary membership of the Party. With her removal, the resolution said, she ceased to be the leader of the Congress Party in Parliament.

Ten of the 11 supporters of Mr. Nijalingappa were present. The Uttar Pradesh Chief Minister, Mr. C. B. Gupta, arrived 40 minutes after the meeting began. Those present at the meeting, besides Mr. Nijalingappa and Mr. Sadiq Ali, were: Mr. P. Venkatasubbaiah, Mr. Atulya Ghosh, Mr. Hitendra Desai, Dr. Ram Subhag Singh, Mr. S. K. Patil, Mr. Morarji Desai, Mr. Kamaraj, Mr. K. C. Abraham and Mr. C. B. Gupta.

Texts Of Working Committee's Resolutions:

The following is the text of the resolution expelling Mrs. Gandhi from the Congress:

"The Working Committee has given deep thought to the painful situation resulting from a series of developments in the recent past in connexion with the maintenance of discipline in the Congress organization. The public conduct of Congressmen has always been subject to certain well-defined rules and procedures and some well-established conventions. Violation of these rules and procedures particularly by Congressmen occupying leading positions can have ruinous consequences for the organization as well as the country. We saw convincing evidence of this at the time of the Presidential election. The Congress was badly split with indiscipline indulged in by the Prime Minister and some of her colleagues. There was insistent demand by many sections of Congressmen for action to be taken to deal with a grave act of indiscipline. The Working Committee in its anxiety to maintain the unity of the Party for the sake of democracy and the country condoned this indiscipline. Many members of the Working Committee and other Congressmen were not happy with this condonation, but there was a feeling of relief that the unity of the Party even at a heavy price was saved.

"The hope entertained at the time of passing the unity resolution has, however, been rudely shattered by subsequent events. The Prime Minister launched a campaign against the Congress organization, especially at its top level, holding it mainly responsible for whatever ills the country was afflicted with and slowness in the implementation of radical Congress policies embodied in the resolutions of the Working Committee and the A-ICC. It was propagated that to speed up the implementation of Congress policies, it was necessary to have greater harmony between the parliamentary wing and the Congress organization. The word harmony is a misnomer for dominance and the desire to capture the Congress machinery first at the top level and then at other levels.

"To achieve this objective a signature campaign was launched for ousting the Congress President. The campaign was inspired and organized by the Prime Minister and her colleagues. The A-ICC members in various States left to themselves would have thought of no such move, but the picture changed when the inspiration came from the top and from persons occupying high Ministerial positions. It is, therefore, significant that barring a few exceptions, all Ministers, whether at the Centre or in States where the Chief Ministers fell in line with the leading organizers, put their signatures to the document. Pressure tactics and other influences brought reluctant signatures from many other A-ICC members who signed the document.

"Such a thing has never happened in the history of the Congress before. In the event of differences between the Prime Minister and the Congress President, talks and discussions at the top level were enough to bring about the desired result. But in the present case, the entire organization was exposed to false and misleading propaganda and pressurized to toe a particular line.

"This is not a situation the Working Committee, charged with the responsibility of maintaining the dignity and discipline of the Congress organization can view with equanimity. The Congress President took some steps to maintain the dignity of the Working Committee and removed for reasons which are now public knowledge two members from the Working Committee. A third ceased to function as a member of the Working Committee when he ceased to be a member of the A-ICC. The Prime Minister and some other members of the Working Committee in protest not only did not attend the meeting of the Working Committee held on November 1 and 2, 1969 but held their own separate meetings and questioned the authority of the legally constituted Working Committee and refused to abide by its decisions. While the Working Committee declared that the requisitioned meeting of the A-ICC was unconstitutional, the Prime Minister and her colleagues in defiance of the Working Committee's decision sponsored the requisitioned meeting for considering a proposition which has been declared out of order by the Working Committee. A parallel Working Committee and a parallel A-ICC are patent and grave acts of indiscipline.

"The Working Committee is grateful to the Congress President for his letter to the Prime Minister, dated October 28, 1969. The Working Committee endorses what has been said in that letter because it puts the case of the Working Committee in its proper sequence and perspective. The Congress President wrote to the Prime Minister requesting her to explain her reported association with the move to convene an illegal and unconstitutional meeting of the A-ICC in violation of the Party constitution and the decision of the Working Committee. In her reply which has been published the Prime Minister defended her illegal act and refused to recognize the authority of the Working Committee.

"This stand of the Prime Minister is in keeping with her conduct at the tenor of her public pronouncements on her position as the Prime Minister of India, her constant denigration of the Congress organization, her tendency to divide Congressmen among those who are her supporters and those who are not her supporters, her peculiar attitude to questions of discipline, her basic and overriding desire to concentrate all power in her hands so that her colleagues are her nominees in any offices they might occupy. This spells a grave danger to the democratic functioning of the Congress organization. The Working Committee is, therefore, regretfully obliged to remove Mrs. Indira Gandhi from the primary membership of the Congress for her deliberate act of defiance of the decision of the Working Committee and for actively sponsoring the setting up of a rival Working Committee and a rival A-ICC and by her other attitudes and actions spreading indiscipline in the Congress organization.

"With the removal from membership of the Congress, Mrs. Indira Gandhi ceases to be the leader of the Congress Party in Parliament. The Working Committee directs the Congress Party in Parliament to take necessary steps immediately to elect a new leader."

In another resolution, the Working Committee said:

"The Congress Working Committee has taken a decision today removing Mrs. Gandhi, Prime Minister of India, from the primary membership of the Congress. This is the saddest moment in the history of the Congress.

"'Ever since the Bangalore session of the A-ICC in July, 1969, there has been a continuous chain of unhappy events causing anxiety and pain to millions of Congressmen whose loyalty to the organization has been its greatest source of strength. The Working Committee had to choose between Mrs. Gandhi and everything that the Congress stood for; and it has rightly decided in favour of the latter.

"The Working Committee warns all loyal Congressmen that the immediate future will be one of trials and tribulations and they have to be vigilant and prepared for whatever sacrifices that may be demanded of them to maintain the integrity of the organization. The greatest of national heroes have given all they had to build this great organization. They have also shown us the path of unity, discipline and strength.

"The people of this generation owe a deep debt of gratitude to them and the nation. In the hour of peril we must not falter, whatever the cost we will have to pay. The Congress Working Committee has no doubt that in the end truth will prevail over falsehood and we shall be vindicated for what we were compelled to do today.

"This is an hour for self-introspection. Let not the future historian say of us that in the hour of peril both to the Congress and the nation we wavered and faltered in our loyalty to the great organization to which we all have the honour to belong. The Working Committee expects all Congressmen to stand by the organization and vindicate its honour and dignity."

Statement By Mrs. I. Gandhi's Supporters:

The following is the text of the statement issued by Mrs. Gandhi's supporters on November 12 after her expulsion:

"The Indian National Congress is facing the gravest crisis in its long history. An extraordinary and unprecedented step has been taken by Mr. Nijalingappa and some members of the Working Committee seeking to remove the Prime Minister from the primary membership of the Congress and declaring that as a consequence of such removal she has ceased to be the leader of the Congress Party in Parliament, in which capacity she holds the position of Prime Minister of the country. This action is not only illegal as per the rules and regulations of the Congress organization and the Congress Parliamentary Party, but this is a disastrous move with far-reaching political and constitutional implications.

"The Congress Party in Parliament consists of democratically elected representatives of the people according to the constitution and law of the land. The Party has its own constitution and rules of procedure. The leader of the Party is elected by the Parliamentary Party and such a leader having the confidence of Parliament, becomes the Prime Minister. Mrs. Indira Gandhi continues to be the leader of the Party unless the Party expresses no confidence in the leader.

"As long as she continues to enjoy the support of Parliament, she is entitled to function as the Prime Minister. It will be the saddest day for Indian democracy if a small group of men, without even having the mandate of the organization for this purpose, should dare take a step with a view to displacing a Prime Minister. This is against all canons of Parliamentary democracy. It is our considered view that these gentlemen have no legal or political authority to remove the Prime Minister of the country representing the 550 million of its people.

"Democracy and discipline within the Congress organization have been reduced to a mockery by a small coterie equating itself to the entire organization. Otherwise, the disastrous and rash move is inexplicable. As a matter of fact, it was this same dictatorial attitude by a handful of men which led to the many unfortunate developments weakening the organization in various States. Instead of mending their ways and allowing the democratic processes to prevail within the organization, they have continued their reckless march as party bosses, leading to the present crisis.

"It is a fact that more than 400 members of the A-ICC have called for a meeting of the A-ICC to consider the question whether the present Congress President should continue in office after the expiry of his normal term. Instead of acceding to this reasonable demand of a majority of the members of the A-ICC, all sorts of unfounded imputations have been made against those who have signed the requisition.

"This can hardly be the attitude of responsible leaders of a political organization that the majority of the members of the A-ICC have no mind of their own. Without the least concern for its implications, because charges have been made that the Congress Chief Ministers and Ministers have abused their position to influence members of the A-ICC which is the apex and supreme body in the Congress organization. If this attitude is projected to its logical limit, any decision of the Party can be discarded as having been brought about by undue influence by men in authority. It is unfortunate that a step taken in accordance with the provisions of the Congress constitution should have been considered an act of indiscipline and made the excuse to remove the Prime Minister from the Party. It will be hard to find a precedent for this in any part of the world.

"The resolution proposed by the requisitionists for consideration by the All-India Congress Committee has been interpreted as a censure motion against the Congress President and on that ground it was ruled out of order. It would be a distortion to describe the resolution as a motion of censure. If it is considered so, it was all the more necessary and proper for the President, as head of a democratic political party, to call the meeting to ascertain the opinion of the members, whether the President still retained the confidence of the All-India Congress Committee.

"Many misleading statements have been made in the resolution seeking to expel the Prime Minister to confuse the public and Congressmen.

"We want to state categorically that the action taken by Mr. Nijalingappa and his associates is illegal and of no validity. The Prime Minister continues to be a member of the Congress organization and continues to be the leader of the Congress Parliamentary Party. This is not merely on the basis of the technicalities of rules and regulations, but on the solid basis that she has the support of a large majority of the Congress Parliamentary Party and an overwhelming majority of Congressmen all over the country. More than anything else, she today represents the aspirations of millions of our countrymen who acknowledge her as the leader of the nation. It is presumptuous on the part of these handful of men to take disciplinary action against the democratically elected leader of the people.

"Members of the Congress have a special responsibility in this hour of crisis. We have to do some clear thinking and take some hard decisions. Here are men who are prepared to bypass the organization, afraid of facing the party forum, arrogating to themselves the authority to stifle the legitimate voice of party organs and indiscriminately removing, even where they have no authority, those who do not toe their line. Are we to submit to them or cleanse the organization of these undemocratic and fascist practices?

"The requisitioned A-ICC meeting gets an added significance and importance today and the members will be called upon to take many crucial decisions affecting the future of our party. We, therefore, request every A-ICC member to be present in Delhi on November 22 and 23 and participate in this historic meeting of the A-ICC to chart the future course of this great organization."

Congress Chief Ministers' Efforts Fail—Mr. M. L. Sukhadia's Statement:

The Congress Chief Ministers' talks in search of a formula to reconcile the warring Congress factions ended in failure at 1-50 a.m. on November 12, with Mr. M. L. Sukhadia confessing that although various ideas had been discussed during their talks extending over 6½ hours, agreement could not be reached on any formula.

Mr. Mohan Lal Sukhadia, Chief Minister of Rajasthan, who had convened a meeting of the Congress Chief Ministers in New Delhi on November 11 in a bid to avert the crisis in the Congress, said it was unfortunate that their proposals had been turned down by the Congress President and his supporters.

In a statement, he said: "The Chief Ministers had protracted meetings on November 11 to find a formula to resolve the crisis in the party. Consultations between the Chief Ministers were continued on November 12 also.

"The following formula emerged as the most acceptable one, even though three of the Chief Ministers —Uttar Pradesh, Mysore and Gujarat—had some reservations regarding the third point in the formula.

"The formula consisted of:

(1) The general A-ICC meeting agenda will include a review of the Faridabad Working Committee resolution on organizational elections. The A-ICC will decide the future course of action in this matter.

(2) In view of this, (a) the requisition meeting of the A-ICC will be given up; and (b) no steps shall be taken either at the organizational level or at the parliamentary level, which are likely to adversely affect the unity of the Party.

(3) The charges against Mrs. Gandhi contained in the Congress President's letters of October 28, November 2 and 3 shall be withdrawn. There shall be mutual discussions between the two sides to smoothen out difficulties and remove misunderstandings.

"The formula was put to the Congress President and his supporters through Mr. C. B. Gupta, making an earnest appeal that this proposal should be accepted by both the sides.

"Unfortunately, this has been turned down by the Congress President and his supporters. Our only satisfaction is that we tried our best to avert the crisis."

The Formula That Failed:

The Working Committee's firm refusal to withdraw the charges made by Mr. S. Nijalingappa against Mrs. Gandhi in his letter of October 23 became the issue on which the peace efforts finally failed on November 12. A settlement was almost in sight when the break came.

A four-point formula worked out by the Congress Chief Ministers at their discussions on the night of November 11 and subsequently next morning was to have been the basis of a **rapprochement.**

It envisaged: (a) the cancellation of the Working Committee meeting on November 12 and the meeting of the Parliamentary Party on November 13; (b) cancellation of the special A-ICC session called by Mrs. Gandhi on November 22 and 23 on the assurance that the Faridabad resolution postponing organizational elections would be reviewed at the A-ICC session in Gujarat in December, 1969; (c) no steps to be taken by either side at the parliamentary or organizational levels which may affect unity adversely; and (d) mutual discussions between the two sides to smoothen out differences and remove misunderstanding arising out of various charges levelled against each other. Discussions were to start forthwith.

Party Elections:

The formula implied that the Gujarat A-ICC session in December, 1969 would decide the modalities of new organizational elections on which the two sides were sharply divided. Mrs. Gandhi and her supporters wanted elections from the PCC level upwards, while Mr. Nijalingappa and his friends insisted on elections at all levels.

The formula said nothing on the touchy issue of the re-instatement of Cabinet Ministers or members of the Working Committee who had been removed. This was to be tackled through "mutual discussions," which were to be conducted by a six-member team consisting of three representatives each to be nominated by Mrs. Gandhi and Mr. Nijalingappa.

Withdrawal Of Charges Against Mrs. Gandhi Main Hurdle:

The Congress President, Mr. S. Nijalingappa told a news conference in New Delhi on November 12 that the demand for withdrawal of the charge-sheet against Mrs. Gandhi was not in the Chief Ministers' formula as originally brought to the Working Committee on the morning of November 12.

He said that the Working Committee had already approved the formula as brought by Mr. Hitendra Desai and Mr. C. B. Gupta when a telephone call was received asking for the inscription of the demand for withdrawal of the charge-sheet in the formula. He declined to identify the caller.

He said that the demand for the inclusion of an additional condition for the start of talks aimed at ending misunderstanding among Congress leaders was not acceptable to the Working Committee.

Mr. Sadiq Ali, Congress General Secretary, explained: "There was no question of our agreeing to the withdrawal of the charge-sheet because we had already said there will be mutual discussion between the two sides and these charges would come up during this discussions. There cannot be an agreement beforehand on withdrawing these charges."

Subsequently, he added, a further suggestion came that the charges against both the Prime Minister and the Congress President should be withdrawn. This too was not acceptable to the Working Committee.

When a reporter said that Mr. Sukhadia had stated that withdrawal of the charge-sheet was part of the formula from the beginning, Mr. Sadiq Ali said: "It was not there in the formula brought to us by Mr. C. B. Gupta and Mr. Hitendra Desai."

Mr. Nijalingappa said that if the Prime Minister's supporters had not insisted on withdrawal of the charge-sheet, "we could have had a heart-to-heart discussion about everything."

He personally would not say that his letters had made any "charges" as such against "complaints" listed chronologically about what had happened in recent months.

He thought that the telephone call asking for inscription of the charge-sheet withdrawal in the formula was "probably made after Mrs. Gandhi intervened."

Expulsion Order Ignored:

The Prime Minister, Mrs. Gandhi, decided on November 12 to ignore the Congress Working Committee's "illegal" action against her and face the open challenge to her leadership within the Party and in Parliament.

Mrs. Gandhi was backed in her resolve by seven of her senior colleagues and seven Congress Chief Ministers, besides a large number of Congress Members of Parliament.

The decision to fight it out with the Syndicate was announced to newsmen after a high-level meeting on November 12.

The meeting was attended by Mr. Y. B. Chavan, Mr. Jagjivan Ram, Mr. Fakhruddin Ali Ahmed, Sardar Swaran Singh, Mr. Satya Narayan Sinha, Mr. P. Govinda Menon and Mr. K. Raghuramaiah, all Ministers in the Central Government.

The seven Chief Ministers who attended the meeting were: Mr. M. L. Sukhadia, Mr. V. P. Naik, Mr. K. Brahmananda Reddy, Mr. B. P. Chaliha, Mr. G. M. Sadiq, Mr. S. C. Shukla and Dr. Y. S. Parmar.

The special invitees to the meeting including Mr. C. Subramaniam, Mr. D. Sanjivayya, Mr. D. P. Mishra, Mr. G. L. Nanda and Dr. S. D. Sharma.

In a strongly worded resolution adopted at the end of their meeting, Mrs. Gandhi's supporters denounced the decision of the Congress President as "a disastrous move" with far-reaching political and constitutional implications.

They decided that the Working Committee's resolution removing Mrs. Gandhi from the primary membership of the Congress Party must be ignored and declared that Mrs. Gandhi was entitled to function as Prime Minister "as long as she continues to enjoy the support of Parliament."

As regards her party leadership, the meeting expressed the view that the Working Committee's action had no validity and Mrs. Gandhi continued to be the Leader of the Parliamentary Party until the Party expressed no confidence in her.

CPP Re-affirms Confidence In Mrs. Indira Gandhi:

On November 13, the Congress Parliamentary Party, with about 250 members present, passed a resolution re-affirming confidence in Mrs. Gandhi's leadership.

The resolution said: "The Congress Parliamentary Party hereby declares that the decision of Mr. Nijalingappa and his associates to remove Mrs. Gandhi from the primary membership of the Congress is invalid and unjustified, Mrs. Gandhi continues to be the leader of the Party and enjoys support and confidence of the Party."

Rules For Expulsion:

Clause 16 of the Congress Parliamentary Party (CPP) constitution lays down the procedure for the removal of any "office-bearer or Minister."

It says: "In the event of not less than 25 members of the Party sending notice of no-confidence against any of the office-bearers of the Party or against the Government or against any members thereof for consideration by the Party, a special general meeting of the Party shall be held after giving at least ten days' notice, and the motion shall be deemed to have been passed only when two-thirds of the members present vote in its favour by secret ballot."

The CPP constitution (clause 6-b) requires that "the election of the leader shall be for the full term of Parliament." But it is silent on the removal of the leader of the party. The contingency is covered by application of clause 16 to the leader in his or her capacity as an office-bearer or a Minister.

Any directive to the Parliamentary wing of the Party from the organizational authority for the removal of the Parliamentary Party leader is also not explicitly provided in the CPP constitution.

However, the "pledge" which every person is required to sign to qualify for membership or associate membership of the Party commits him to abide by the rules and directions of the organizational authority.

The pledge says: "I declare that I will follow the principles and policy laid down by the Congress or by any competent authority on its behalf and will conform to the rules and directions duly issued from time to time, as well as to the instructions issued by the party organization in Parliament for the guidance of the members thereof."

In fact, the pledge goes to the extent of getting an undertaking from every member to resign his seat "whenever called upon to do so by a competent Congress authority."

In deciding to expel Mrs. Gandhi from the Congress primary membership, the Working Committee seems to have acted under clause f (iv) of Article 19 of the Indian National Congress. The provision empowers the Working Committee to take "such disciplinary action as it may deem fit against a Committee, other than the A-ICC, or any individual."

It has also relied on Rules 4 and 6 relating to breach of discipline and punishment.

Breach of discipline under Rule 4 includes "deliberately acting or carrying on propaganda against the programmes and decisions of the Congress and deliberately disregarding rules or disobeying orders passed by any competent authority."

Rule 6 stipulates punishment for various bodies and individuals. It says:

"*(a) In the case of a Congress Committee, supersession of such a Committee and such other action against offending individual members as may be necessary.*

"(b) In the case of an office-bear*er or member of any Congress Committee, his removal from office or membership and the fixation of a period during which he cannot be elected or nominated to any office or membership in any Committee or enrolled as primary member.*

"(c) In the case of a primary or active member, his removal from membership and disqualification from membership for a specified period.

"Provided that if any person against whom disciplinary action has been taken and punishment awarded, as a member of any local body, legislature, Parliament or holds any other position by virtue of his being a Congressman, he may also be called upon to resign from such bodies."

The Working Committee's decision on Mrs. Gandhi, however, does not specify the duration of her expulsion.

Legal Opinion Cited In Favour Of Mrs. I. Gandhi:

Legal experts in Mrs. Gandhi's camp asserted on November 5 that even after her expulsion by the Working Committee, Mrs. Gandhi remained a member of the Congress Parliamentary Party.

They said that under the Congress Parliamentary Party's rules, a member of the Party was one returned to Parliament on the Congress ticket. The Prime Minister, who was the leader of the Party in Parliament "does not lose this position unless a no-confidence motion is passed."

They said that once the party ticket was given after scrutiny by the Central Election Committee and the candidate was elected to Parliament, the only body who had authority over the member was the Parliamentary Party.

They said that under Article XII (E) of the Congress constitution, the leader of the Congress Party in Parliament was a member of the A-ICC. "From this, it would follow that any action taken (against Mrs. Gandhi) will be ineffective. This may sustain the argument that the Working Committee or the Congress President has no power to take action against Mrs. Gandhi. "As declared in the Working Committee's Unity Resolution (August 25), Mrs. Gandhi is supreme in the parliamentary sphere."

Offer Of Deputy Prime Ministership To Mr. S. Nijalingappa Denied:

On November 9, the External Affairs Minister, Mr. Dinesh Singh, denied that he had offered the Deputy Prime Ministership to the Congress President, Mr. S. Nijalingappa.

In a statement, Mr. Dinesh Singh said: "I am sorry that Mr. Nijalingappa continues to misrepresent facts about my meeting with him. I have incontrovertible proof that the suggestion came from the side of the Congress President. I am also amazed to see the headlines in **The Statesman** newspaper regarding the offer of Deputy Prime Ministership to Mr. Nijalingappa. I had made no such offer to either Mr. Nijalingappa or his son-in-law (Mr. Rajasekharan)."

On the other hand, Mr. Nijalingappa told newsmen that both Mr. Rajasekharan, who is a member of the Lok Sabha, and Mr. Veerendra Patil, Chief Minister of Mysore, had informed him of the offer "last Saturday (November 8) night."

He said it was true that Mr. Dinesh Singh himself did not mention this offer to him when they met on the night of November 6. And, he added, he would not have met Mr. Dinesh Singh had either Mr. Rajasekharan or Mr. Patil conveyed the offer to him prior to the meeting. "This shows", Mr. Nijalingappa said, "to what depths of cynicism they have descended. I am very angry."

Mrs. I. Gandhi's Letter To A-ICC Members:

In a hard-hitting six-page letter to the members of the A-ICC, the Prime Minister, Mrs. Indira Gandhi, declared on November 8: "I do not want a split in our great national organization which has to fulfil its promises by building up a new society." She added, however, that she wanted unity which was a unity on principle and on method of work.

She explained that to speak of socialism and secularism and to vote for these in meetings but to have a public image of association with those who were opposed to these objectives was no service to the Congress.

She said that in the name of things, a national debate on issues at stake and the competing points of view could not be carried on without some pain and emotional disturbance, but the need for the debate was inescapable. No one could stifle it.

She pointed out that the basic issue in the conflict must be separated from other issues which, though important, were secondary. That basic issue was whether the democratic process should prevail in the Congress or not.

She said that in his last years her father, Pandit Nehru, was greatly concerned that the Congress was moving away from the people and that there were people inside the Congress who were offering resistance to change. Her own experience even before the fourth General Elections was that the forces of the **status quo** with close links with powerful economic interests were ranged against her.

She alleged that arrogant use of authority had made some people resign from the Congress or retire from active work. It also discouraged fresh streams of young workers from flowing into the Congress. Recently, the tendency to acquire factional control of the organization had become more intense. This was linked up with the desire to control the direction of Government policy and economic life in line with the narrow purposes and interests of a limited section.

Giving the background to the present crisis, she pointed out that within the Congress there had been a group which did not have total faith in the Party's objectives. She alleged that people of this group paid only lip service to these ideals because they knew that if they expressed their reservations openly they would lose the power and influence they had derived from the Party.

She explained that this was not a new phenomenon. It had existed in the Party through the last 22 years and even before. She knew that this group had constantly tried to check and frustrate Pandit Nehru's attempt to bring about far-reaching economic and social changes. The Congress was moulded by Mahatma Gandhi and Pandit Nehru to be the prime instrument of social change. The acceptance of office and of responsibility of Government was after all to bring about this non-violent revolution in society.

Strength Of Mrs. I. Gandhi's Group:

After a meeting of the Parliamentary Party on November 16, it was stated that Mrs. Indira Gandhi's group would have a strength of 210 in the Lok Sabha and 104 in the Rajya Sabha.

The meeting was attended by 293 Party members. At the end of the meeting, nine were admitted to the Party as full or associate members. Twelve members, who could not be present, had sent letters conveying their support to Mrs. Gandhi.

Those admitted to full membership of the Party were: Swami Brahmanand, Mr. A. K. Kisku, Mr. P. R. Thakur (all of the Lok Sabha), Mr. H. R. Bachchan, Prof. Nurul Hasan, Mr. G. Ramachandran and Mr. N. P. Chowdhury (all Rajya Sabha).

Mr. Diyabhai Peshwar and Mr. Solanki who had resigned from the Swatantra Party were given associate membership.

Those who were unable to attend were: Mr. K. Hanumanthaiaya, Mr. Kota Punnaiah, Mr. R. M. Hajarnavis, Mrs. Sushila Rohtagi, Mr. A. K. Sen, Mr. Aghar Husain, Babasaheb Sevnekar, Mr. P. C. Goswami, Maharaja Devendra Vijaya Singh, Maharaja Manavendra Shah of Tehri Garhwal, and Mr. Avdhesh Chandra Singh.

Mr. S. Zulfiquar Ali Khan, Lok Sabha member, resigned from the Swatantra Party. He would sit in Parliament as an Independent member.

Mr. S. Nijalingappa's Group Meeting—Strength Assessed:

At a meeting of the members of Parliament belonging to Mr. S. Nijalingappa's group, also on November 16, Mr. Morarji Desai was unanimously elected Chairman of the group in the Congress Parliamentary Party.

The meeting also decided to have two separate leaders—Dr. Ram Subhag Singh for Lok Sabha and Mr. Shyam Nandan Mishra for Rajya Sabha—and two Deputy Leaders.

Dr. D. S. Raju, a former Central Deputy Health Minister, will be the Deputy Leader of the Party in Lok Sabha and a former Central Minister of State for Co-operation, Mr. M. S. Gurupadaswamy, the Deputy Leader in Rajya Sabha.

According to Mr. Nijalingappa, 111 members of Parliament attended the meeting—65 from Lok Sabha and 46 from Rajya Sabha. Ten more members, five from each House, also had pledged their support and he expected the group's strength to go up to 125.

Dr. R. S. Singh Becomes First Leader Of Opposition:

With Dr. Ram Subhag Singh's election as Leader of the (Opposition) group in the Lok Sabha, India's Parliament will for the first time have a Leader of the Opposition.

No other group has, in any of the four Lok Sabhas elected since 1952, measured up to the definition of a party given in the Rules of Procedure. Recognition under these Rules is conditional upon membership coming up to at least 52 or 10 per cent of the total strength of the Lok Sabha.

The privileges and perquisites of the Leader of the Opposition have remained undefined all these years. A demand is likely to be made on behalf of the group that Dr. Ram Subhag Singh should be given a status similar to that of the Leader of the Opposition in the House of Commons.

Dr. Singh became a member of the provisional Parliament in 1950. He was a member of the Parliamentary Party's Executive Committee since 1954 until two years ago when Mrs. Gandhi discouraged Ministers from seeking election. He has been a member of the Congress Working Committee since 1951, and of the Central Election Committee since 1966.

He joined the Government as Minister of State for Agriculture in 1962, moving over to Railways in 1964. He was elevated to the Cabinet rank in 1967 as Minister for Parliamentary Affairs and Communications when Mrs. Gandhi re-constituted her Government after the election and was recently shifted to Railways during the re-shuffle early this year. He was dropped from the Cabinet in the current crisis (see page 9267).

Dr. Singh is known not to mince words. There were several occasions when he joined issue with Mrs. Gandhi on policy questions, notably on the issue of the message she sent President Ayub Khan congratulating him on the completion of the Mangla Dam which happens to be in Azad Kashmir territory.

He often clashed with Pandit Nehru in Parliament, specially in the wake of the Chinese invasion of the N-EFA. Regardless, there was a relationship of mutual esteem between the two.

As Minister for Parliamentary Affairs, he masterminded Dr. Zakir Husain's election to the Presidency which won him a handsome tribute from the Prime Minister. Even though he is a tough adversary, he has always maintained cordial relations at the personal level with members of the Opposition and his colleagues in the Congress Parliamentary Party.

Dr. Ram Subhag Singh's Letter To Mr. V. V. Giri:

Dr. Ram Subhag Singh, the newly elected Leader of the Congress Parliamentary Party (Nijalingappa group), requested the President, Mr. V. V. Giri, on November 16 to take "immediate and suitable action in the light of the fact" that Mrs. Gandhi no longer enjoyed support of the majority in the Lok Sabha.

In a letter to Mr. Giri, Dr. Singh said that the meeting of the Party held under the chairmanship of Mr. Nijalingappa was attended by 60 members of the Lok Sabha and 46 of the Rajya Sabha.

He said: "As you know, so far the Congress Party has been in majority in the Lok Sabha. Consequently the leader of the Congress Party in Parliament was the Prime Minister.

"Up to now, the Congress Party membership in the Lok Sabha was 284 out of a total of 523. But Congress members of the Party who met under the chairmanship of Mr. Nijalingappa on November 16 elected me (Dr. Ram Subhag Singh) as Leader of the Congress Party in the Lok Sabha in place of Mrs. Indira Gandhi, who has been removed from the primary membership of the Congress and the leadership of the Party in Parliament by the Congress Working Committee on November 12."

Fight For The Congress Symbol:

With the split in the Congress Party, the question that exercised the minds of people on November 13 was as to who should be allotted the Congress election symbol of two bullocks with the yoke.

According to Election Commission sources, the rules to meet such exigencies are explicit and interpreting them should not pose much difficulty.

There have been four precedents in which rival groups of parties claimed the election symbol for their factions. In all these cases, the Commission had not found it difficult to interpret the rules "since the situation was clear beyond doubt."

The Election Symbols (Reservation and Allotment) Order, 1968 (Clause 15) lays down that "when the

Commission is satisfied on information in its possession that there are rival sections or groups of a recognized political party, each of whom claims to be that party, the Election Commission may, after taking into account all the available facts and circumstances of the case and hearing such representatives of the sections or groups and other persons as desire to be heard, decide that one such rival section or group is that recognized political party and the decision of the Commission shall be binding on all such rival sections or groups."

The disputes that were referred to the Commission in the past were limited in scope. These related to the Republican Party in Uttar Pradesh, the United National Party of Goa (Sequiera group and Fortado group) and the Akali Dal (Tara Singh group and Sant Fateh Singh group) in Punjab. These were all essentially provincial parties.

The only all-India party whose case was referred to the Commission was the Communist Party. But *here too the Commission had a fairly easy task because when the split came, the bulk of the legislators remained with the parent body.*

In the case of the Congress, both the factions will control Legislature *Parties in a few States.*

Opposition Parties' Reactions:

Opposition leaders in the country generally welcomed the split in the Congress Party, though for different reasons.

Those opposed to the Prime Minister, Mrs. Indira Gandhi, demanded her immeriate resignation. The others favouring her continuance as Prime Minister felt that she would be able to execute her progressive policies effectively.

From the various reactions, explicit as well as implicit, it was evident that the 42-member Swatantra Party and 33-member Jana Sangh would lend their full support to any move to topple the Government. Some Samyukta Socialist Party members of Parliament also called upon Mrs. Gandhi to step down.

On the other hand, the 24-member CPI, 19-member CPM, 25-member DMK and a sizable section of Independents are likely to support Mrs. Gandhi, in the event of the Congress split reflecting in the Lok Sabha, the House which would determine whether the Government commanded majority support or not.

BKD Wants Dissolution Of Congress:

The National Executive of the Bharatiya Kranti Dal (BKD), after a 13-hour meeting on November 14, came to the conclusion that the Congress Party should dissolve itself in the interests of the country.

It said that this would not only be in keeping with the last wishes of Mahatma Gandhi, but would also facilitate polarization of forces and emergence of healthy traditions in public life and successful functioning of the party and of democracy in the country.

(**The Hindu**, Madras, **The Statesman**, Calcutta, **The Times of India**, Bombay and **The Hindustan Times**, New Delhi)

[Prev. ref. 9263:INI:B]

B. Mr. J. L. Hathi And Mr. C. M. Poonacha Resign From Central Cabinet: On November 13, the Central Minister for Labour, Employment and Rehabilitation, Mr. Jaisukh Lal Hathi, tendered his resignation from the Central Cabinet. He did not give any reasons, but told newsmen that in the present rift in the Congress Party, he wanted to remain neutral.

On November 15, the Central Minister for Steel and Heavy Engineering, Mr. C. M. Poonacha, also resigned.

In his letter of resignation, Mr. Poonacha said that in view of the resolution passed by the Congress Working Committee expelling Mrs. Gandhi from Congress membership on November 12 and subsequent developments, he was resigning his membership of the Cabinet.

He was the fourth Cabinet Minister to have left the Government since the Congress Party crisis began in July, 1969.

With Mr. Poonacha's exit, there were eight vacancies in the Council of Ministers—four of Cabinet rank, two of Ministers of State and two of Deputy Ministers.

Re-allocation Of Portfolios:

As a result of these resignations, it was announced on November 15 that Mr. Jagjivan Ram, Minister for Food and Agriculture, will hold additional charge of the Ministry of Labour, Employment and Rehabilitation.

Sardar Swaran Singh, Minister for Defence, has been placed in additional charge of the Ministry of Steel and Heavy Engineering.

Mr. K. K. Shah, Minister for Health and Housing, will be the Leader of the Rajya Sabha in place of Mr. Jaisukh Lal Hathi.

The Prime Minister, Mrs. Indira Gandhi, also allocated the work in the Finance Ministry between the two Ministers of State for Finance, Mr. P. C. Sethi and Mr. R. K. Khadilkar. Mr. Sethi will deal with the Department of Revenue and Insurance minus Insurance Division cases, Department of Economic Affairs—internal finance (including budget, banking and economic situation)—and Department of Expenditure (Establishment division, Bureau of Public Enterprises and Project Estimates). Mr. Khadilkar will deal with the Department of Expenditure in respect of heads other than the three put under Mr. Sethi's charge, insurance and national savings organization.

Mr. Khadilkar will deal with the Department of Expenditure in respect of heads other than the three put under Mr. Sethi's charge, insurance and national savings organization.

(**The Statesman** and **The Times of India**, New Delhi)

[Prev. ref. 9263:INI:B, 9273:INI:A]

C. Mr. Pal Losonczi's Visit: The President of Hungary, Mr. Pal Losonczi, arrived in New Delhi on a State visit on November 11.

The same evening, India's President, Mr. V. V. Giri, gave a banquet in honour of President Losonczi at which Mr. Losonczi declared that the policy of non-alignment allotted to India a significant role in safeguarding peace and security primarily in Asia. At the same time, Hungary was highly appreciative of India's interest in the consolidation of a security system in Europe and recognition of European realities.

He added that the progressive world highly appreciated that India took the side of the Arabs in the West Asia conflict and condemned the aggression of Israel.

Mr. Giri, in his speech, traced the long cultural links between the two countries and said: "We watch with interest the processes current in your country aimed at expanding the social basis of State power, and the decentralization of your socio-economic structures."

Talks With Mrs. I. Gandhi:

Next day (November 12), Mr. Pal Losonczi had talks with the Premier, Mrs. Indira Gandhi. The ground covered related mainly to bilateral issues and development of trade and economic collaboration between the two countries.

This was the third round of talks between the two leaders. They met twice on November 11, although on both occasions the contact was of a preliminary and informal nature.

Opening the talks, Mrs. Gandhi said that India's policy was to seek areas of co-operation with all countries. In this context, she welcomed development of further economic, ultural and scientific co-operation etween India and Hungary.

President Losonczi said that an xchange of visits could broaden relations and "Hungary is ready to broaden her relations in all fields with India."

Civic Reception:

At a civic reception accorded to him in Delhi on November 12, Mr. Pal Losonczi said that close "in the strictest sense of the word", as Indo-Hungarian relations were, the future held greater promise.

He said that under various Agreements for the next two years, nearly 70 Indian scientists, writers and artistes would be visiting Hungary. A similar number of Hungarians from the same backgrounds would come to India.

Referring to India's policy of non-alignment, he pointed out that it had gained acceptance in the world. The role India had played at international forums in the "struggle for the liquidation of the colonial system" had gained for it even greated prestige.

Indology, said Mr. Losonczi, had a tradition in Hungary, with many Hungarians acquainted with Indian literature through translations. The most beautiful parts of the *Ramayana* and Mahabharata had been translated by the eminent Indologist, Ervin Baktay.

On behalf of the people of Delhi, the Mayor of Delhi presented him with an ivory bullock-cart and a brocade stole and an evening handbag to Mrs. Losonczi.

President Losonczi left New Delhi for Bombay on November 14 on his way home.

Joint Communique:

A joint **communique** issued in New Delhi on November 15 on President Losonczi's talks with Mrs. Indira Gandhi listed several concrete steps, aimed at enlarging the scope of economic co-operation between India and Hungary.

The endeavour would be directed not merely to promote joint collaboration in new fields of industry and increased volume of mutual trade, but also to explore the prospects of joint industrial ventures and trading partnerships in third countries.

A firm decision was taken to set up joint experts' teams to study these objectives in depth and to recommend appropriate measures.

The specific fields of co-operation listed by the **communique** included the aluminium industry, tele-communication, water research and irrigation. The **communique** makes it clear that the list was not exhaustive.

It indicated that the two countries were also planning fairly extensive co-operation in the scientific, cultural and educational fields. The talks had led to an agreement in principle to conclude a separate agreement for scientific and technological exchanges and mutual recognition of diplomas and degrees. Exchange of scientific, technical and cultural personnel was also planned.

On Indo-Pakistan relations, the **communique** expressed the hope that "Indo-Pakistan problems would be settled bilaterally and peacefully in the spirit of the Tashkent Declaration."

There was also agreement that the Viet-Nam problem should be settled within the broad frame-work of the Geneva Agreement of 1954 and that all efforts should be made to implement the November 22, 1967 UN Security Council resolution on the Arab-Israeli conflict.

> [India's trade and cultural relations have been continuous and progressing since 1953. A Trade Agreement of 1954 signed in Budapest was revised in 1959 (see page 2745), while on December 12, 1961 another Agreement signed provided for 10 per cent increase in the trade between the two countries in 1962. Trade between the two countries in 1967 had gone up to Rs. 2.60 million from Rs. 1.2 million in 1953. On October 28, 1968 it was decided in Budapest that Indo-Hungarian trade both ways should amount to Rs. 540 million during 1969. India would export mineral ores, railway wagons, ready-made garments, textile and leather products etc in exchange for steel and steel products, fertilizers, chemicals and items of heavy machinery and equipment. A Cultural Agreement was signed between the two countries in New Delhi on March 30, 1964 to strengthen ties of friendship and promoting better understanding and close co-operation between the two countries in the fields of culture, science, education, literature, health and sports. On December 16, 1966 the two countries in the fields of culture, science, education, literature, health and sports. On December 16, 1966 the two countries ratified an Air Agreement signed earlier in February, 1966 under which Air-India and Malev, the Hungarian air service, would operate one service a week through Budapest and Bombay. Dr. Zakir Husain, then President of India, paid a visit to Hungary on June 6, 1968 (see page 8432). He had then said at Budapest on June 8: "It is only natural that our bilateral relations should develop steadily in all directions."]

(**The Statesman** and **The Hindustan Times**, New Delhi)

[Prev. ref. 8432:INI:A]

D. Nehru Award Presented To Khan Abdul Ghaffar Khan: On November 15, Khan Abdul Ghaffar Khan was presented the 1967 Nehru Award for International Understanding.

Presenting the Award, the President, Mr. V. V. Giri, said: "The life and work of great personages like Khan Abdul Ghaffar Khan give us faith in the future of humanity. With the vision of idealism in his eyes, he looks beyond the desolation now surrounding man. He is striving to bring man and man, nation and nation closer to one another. His achievement signifies the evolution of a new type of human force which alone can ultimately be the motivation of enduring international amity."

He pointed out that if anybody could be called a Universal Man, it was Khan Abdul Ghaffar Khan, for he stood not for any narrow sectarianism or groups but for eternal values.

The citation, which was read by the Vice-President, Mr. G. S. Pathak, recalled the services that Khan Abdul Ghaffar Khan had rendered in the cause of India's freedom and his close link with Mahatma Gandhi.

Carrying the scars of many years of imprisonment, Khan Abdul Ghaffar Khan had remained undaunted in his faith in man, "a faith which shines through the tensions and traumas of today."

It added: "There is a debt we owe Khan Abdul Ghaffar Khan. There are many lessons we have to learn from him—to struggle constantly for our beliefs, for the freedoms of the peoples, with compassion and with larger understanding which alone can lift the human consciousness out of despair, apathy and cynicism. Badshah Khan's devotion to the ideal of human brotherhood gives his life that universal quality on which alone our hopes for peace and international amity can be based—a cause so dear to Jawaharlal Nehru."

The Award includes a cash prize of Rs. 1,00,000 convertible into foreign exchange.

The 1965 Award was to the UN Secretary-General, U Thant. The American Negro leader, Dr. Martin Luther King, was given the 1966 award posthumously.

Khan Abdul Ghaffar Khan's Reply:

Replying, Khan Abdul Ghaffar Khan said that he had only two things on his mind when he came to India. First, the Gandhi Centenary which was being celebrated this year. Secondly, he wanted to study the conditions prevailing in the country.

He added: "There is a saying in the Pushtu language: 'Often a friend will make you cry, an enemy makes you laugh.' I consider myself a friend of India, and your well-wisher. I have just returned from the land of Gandhi. I had once been there with him, this time without him. When I went with Gandhi, what did I see? I saw love, I saw non-violence. I saw service of mankind. What did I see this time? I saw hatred instead of love. I found violence instead of non-violence. I saw destruction and plunder instead of service of mankind.

"This country is full of all sorts of social conflicts. Hindus fight with Hindus. The Shias fight with Sunnis. The non-Brahmins fight with Brahmins. Hindus fight with Muslims and **vice versa.** I am sorry to note that we have not yet been able to understand the meaning of religion, which is why things have come to such a pass. Both Hindus and Muslims are ignorant about religion. That is why they do not understand their prayers. Because of ignorance people are duped in the name of religion."

He posed the question: "What is religion?" and said: "Religion is love. It is sympathy. It teaches us to serve the downtrodden. It teaches us to serve mankind. Look at history. Whenever a nation gives up its social and moral standards, then God sends a man to show them the right path. Religion comes to serve the truth and not for any other purpose. It does not teach us to burn people, to abduct girls, to loot and destroy. How could this be religion and humanism? Therefore, I say look at these things carefully."

(**The Statesman,** New Delhi)

[Prev. ref. 8995:INI:L]

LEBANON

A. **Crisis Over Palestine Commandos:** Lebanon faced her most serious crisis since the 1958 civil war in the latter half of October, 1969 when Palestinian guerrillas demanding freedom of action for commando activity from Lebanese territory against Israel rose in armed rebellion.

The immediate cause of the crisis was the nagging question of the 5,000 odd Palestinian commandos operating in the country. After months of sporadic incidents between the small Army and the Palestinian refugees, the crisis came to a head when the Army clashed brutally with commandos in the south.

Reaction in the Arab world was immediate and violent, and the acting Lebanese Premier, Mr. Rashid Karame, disavowing the Army's action, tendered his resignation.

The situation took on alarming proportions when joint Palestinian-Syrian units backed by tanks and heavy artillery crossed into Lebanon.

Following President Nasser's offer of good offices, representatives of the Government and the commandos met in Cairo when a settlement, details of which were not released, was reached.

Protagonists In Crisis:

The crisis placed several politicians in the limelight. The diversity of their respective positions on the Palestinian commandos (given below) is a telling indication of the problems facing the country.

Mr. Charles Helou, the President of the Republic, clearly defined his position on May 31 in a "message to the nation." He refused to allow the guerrillas to present the Government with a **fait accompli** which it would have to sanction. He later added that **feddayin** activities must be stopped if they endangered Lebanon's security.

Mr. Rashid Karame, the newly-resigned caretaker Prime Minister, a Sunni Moslem, has continually stressed the differences between his position and that of the Head of State, a Maronite Christian. He urged the Lebanese Army and the Palestinian commandos to unite "against Israel's expansionism." Such co-operation, however, was impossible because of the reciprocal distrust between the Army and guerrilla leaders. Mr. Karame, in his letter of resignation, re-asserted that he opposed repression of the Palestinian commandos. He dissociated himself from it and laid responsibility on the military authorities. He is very popular among the Sunni population, especially in the north around Tripoli, the country's second city.

Mr. Kamal Jumblatt, the Leftist leader of Lebanon's Druze community supports liberty of action for the **feddayin.** He plays an important role as chairman of Leftist parties and organizations, now trying to forge a common policy. He is influential among intellectuals and trade unionists.

Mr. Camille Chamoun, the moderate Christian leader, played a central role in the 1958 civil war. As President of the Republic he had invited the Americans into Lebanon to protect the country from "foreign subversion." His position in the present conflict is ambiguous. He has expressed support for the **feddayin,** qualifying it by saying that he would give priority to Lebanon's security if guerrilla action provoked Israeli retaliation beyond the defensive capacities of the Lebanese Army.

Gen. Fuad Chehab, former President of the Republic who succeeded Mr. Chamoun, has not defined his position in the present crisis. In 1958 he was thought to favour the pro-Nasser faction, but was virtually responsible for bringing about national reconciliation. Observers now believe that he has used his considerable influence with the Army, and particularly the Intelligence Branch, to encourage action against the **feddayin.**

Mr. Pierre Gemayel, the Christian "Phalangist" leader, is an advocate of "absolute respect for Lebanese sovereignty." Like former President Chamoun, he subordinates **feddayin** claims to national security. In an emergency, he would be able to raise 2,000 or 3,000 armed militiamen.

Mr. Raymond Edde, a member of the moderate "triumvirate" which carries great weight in the Christian community, shares the basic ideas of his colleagues, Mr. Chamoun and Mr. Gemayel. He has also called for a UN peace-keeping force along the Israel-Lebanon border.

Armed Clashes:

On October 18, the crisis between the authorities and commandos flared up into armed clashes.

Following the familiar pattern, the forces surrounded a guerrilla camp in a village south of Lebanon and gave the commandos 48 hours to move near the Syrian border. When they refused, shooting broke out and a commando and two Lebanese civilians were wounded.

The action came after a series of Israeli allegations of commando activities on the Lebanese-Israeli border. After similar incidents two months earlier, Israel had launched a major air raid on Lebanon.

Threat Of Civil War:

The renewed fighting in which a score of people were killed or wounded threatened to trigger off a civil war in Lebanon.

One observer said: "The situation has gone beyond the possibility of a compromise and there are too many groups interested in pushing it into a civil war."

The Chairman of the Palestinian Liberation Organization, Mr. Yassir Arafat, refused to go to Beirut for any talks with the authorities and instead ordered commando groups all over Lebanon to resist the armed forces until the last man.

Syrian Measures:

Meanwhile, in Damascus on October 22, after announcing that her borders with Lebanon had been closed, Syria threatened to take "firmer, and more effective measures" to force the Lebanese authorities to call off a reported crackdown on Palestinian guerrillas.

The Syrian move was announced by the Political Bureau of the ruling Socialist Baath Party. It said the border closure was a prelude to "firmer and more effective measures. Lebanese authorities must be made to call off their measures against the Palestinian guerrillas."

The Political Bureau statement described Lebanese Army attacks during the last 24 hours on guerrilla bases in south Lebanon as part "of a plot by US imperialism and Zionism to crush the Palestinian revolution."

Immediately after the announcement, the Interior Ministry ordered the entire border with the Lebanon shut and banned travel between the two countries.

The Lebanese-guerrilla-Syria conflicts and counter-conflicts represented an unprecedented turn in the 2½-year-old West Asian hostilities.

Tens of thousands of demonstrators peacefully marched through the streets of Baghdad and Amman and mobs rioted in Beirut to protest against the Army crack-down on guerrillas. The demonstrators in Beirut stoned police from improvised barricades. Many of them carried guns tucked in their belts. Others brandished sticks and cudgels.

Baghdad Radio said the demonstrators shouted: "Death to the criminal rulers of Lebanon" and "Down with imperialist-backed regimes."

Mr. R. Karame Resigns As Premier:

On October 22, the Prime Minister, Mr. Rashid Karame, resigned and indicated that he disagreed with the decision to launch Lebanese troops against Palestinian commandos.

He said he had announced his decision to resign to President Charles Helou "not because I want to flee or out of fear, but because a man cannot bear the responsibility for an affair about which he was not consulted or an affair which is not in accordance with his own ideas."

But, on November 6, Mr. Karame agreed to attempt to form a Cabinet and end the country's seven-month political crisis.

He told newsmen after a meeting with President Charles Helou that formation of a Cabinet was now possible following the agreement on November 2 between Lebanese and Palestinian commandos on the status of Palestinian guerrillas in Lebanon.

Meanwhile, Iraq put its armed forces at the disposal of the Arab guerrillas. It strongly protested to Lebanese authorities as 250,000 Iraqis demonstrated in the streets of Baghdad in support of the Arab commando action.

Guerrillas Attack Lebanese Border Posts:

A Beirut report said on October 23 that guerrillas from Syria had struck at three Lebanese border posts.

A Lebanese Army **communique** reported that the border posts at Arida and Buqaita, 48 km apart in the north, were surrounded by 150 raiders and the gendarme garrisons made prisons.

El Fatah, the most powerful of the Palestinian guerrilla groups, announced from Damascus that all war captives would be released.

At the big frontier post at Masnaa on the main Beirut-Damascus highway, an attack by guerrillas using rockets, mortars and machine-guns was beaten off. One Lebanese gendarme was wounded.

In a statement, El Fatah claimed credit for the attacks on the three border posts. It said 24 Lebanese security, police and customs men captured in these raids were being released and delivered back to the Lebanese authorities.

Lebanese troops fought running battles with armed civilians and Arab guerrillas in the northern port of Tripoli following a clash between demonstrators and security forces in which at least seven people were killed and many more wounded.

Defying an indefinite curfew clamped on Lebanon's major cities following bloody clashes between the army and Palestinian guerrillas, demonstrators battled with troops and police in two areas of the town.

The authorities had announced a curfew on all big cities after a day of mounting tension in the Arab world and internationally following attacks on Lebanese border posts by Syrian troops.

The President, Mr. Charles Helou, in a telephonic conversation with the Syrian President, Mr. Nuruddin Atassi, said that he was surprised at the Syrian military concentrations on the Lebanese frontier. He also complained that "Syrian elements" were carrying out military operations against Lebanese public buildings.

Guerrillas and armed rebels gained control of the most strategic part of Lebanon's second city, Tripoli, and consolidated their hold on two new villages on October 26.

The pressure on the relatively small Lebanese Army, which could muster less than two divisions, and the security forces exposed the vulnerability of the two large regions of the country north of Tripoli and southwards of the southern city port of Sidon.

Diplomatically isolated from the rest of the Arab world because of its action against the guerrillas, and with the country's security entirely on its shoulders following the resignation of Mr. Rashid Karame as Prime Minister, the Army was engaged against the guerrillas in three new areas in the south.

Mr. Mokaddem, a political rival of Mr. Karame and a fellow Tripolitanian, said that any new Government must favour freedom of action for commando activity from Lebanese territory. He also called for the dismissal of the officials responsible for action against the guerrillas in the south, the incident which began the crisis. "It would be in the interest of the authorities to meet these demands as soon as possible, before more demands are made and more people killed."

President Nasser's Message To Mr. C. Helou:

President Nasser of UAR in a message to Mr. Helou said: "We did, and still do, consider the stand of any Arab countries towards the struggle of destiny waged by our nation as completely conditioned by this country's stand towards the Palestinian resistance.

"With our full appreciation of the positions and conditions of Lebanon, we, however, cannot conceive that the Palestinian resistance could face what it is now facing in Lebanon, while it (the resistance) is being subjected to enemy fire and terrorism."

Arab Protests:

Lebanon was inundated with protests from Arab countries. Within the country, students and workers and Leftist groups joined in the massive agitation against the authorities. There were sporadic clashes between troops and the guerrillas.

President Nasser's special representative, Dr. Nassan Sabry el Kholy, visited Beirut and Damascus in a mediatory effort.

As a result of UAR efforts, talks began in Cairo on October 30. Several sets of proposals were discussed.

Cease-fire Comes Into Force:

A cease-fire between the commandos and Lebanese troops came into force on November 2.

The move was decided during the final stage of the negotiations between the Palestine Liberation Organization leader, Mr. Yassir Arafat, and the Commander-in-Chief of the Lebanese Army, Gen. Emile Bustany.

Both sides also agreed to try to defuse the Lebanese crisis while working for complete agreement between the Lebanese Government and the Palestinian commandos.

The other details of the settlement were not immediately disclosed.

Syria Re-opens Border:

On November 13, Syria re-opened its border with Lebanon which was closed on October 21 following clashes between Palestinian commandos and Lebanese security men in south Lebanon.

A statement by the Political Bureau of the ruling Arab Baath Socialist Party said that the decision was taken after information had been received on the Cairo Agreement between delegations representing Lebanon and the Palestine Liberation Organization (PLO).

The closure of the border with Lebanon, together with other measures which the Syrian Government had intended to take, it said, had been aimed at "asserting the legitimacy of the Palestinian struggle and its right to set out from Arab territory. It was meant to underline the seriousness of subjecting the resistance to any obstruction or delay in carrying out its sacred tasks."

Implications Of Cease-fire Agreement:

The Statesman (Calcutta) correspondent in Beirut wrote on October 5 to say that the political consequences of the settlement between the Lebanese Government and the Palestine resistance movement in Cairo were of an importance quite out of proportion to the very modest military events and almost all these results were beneficial to Lebanon.

Details of the Cease-fire Agreement were kept secret, but it is certain that the guerrillas have not been given the complete freedom to operate from Lebanon against Israel which was their main demand and which would have nullified Lebanese sovereignty.

Moreover, the refugee camps in Lebanon will be brought under stricter control to prevent them becoming a State within a State. In short, there is to be co-ordination between the Lebanese Army and the guerrillas which the latter, in public at least, rejected when the Lebanese proposed it to them six months earlier.

This Cease-fire Agreement settles things for the time being between the Lebanese and the Palestinians. But there is a very important third party to the crisis—Israel. If it becomes known that a definite zone of Lebanon has, more or less, been turned over to the guerrillas, and if the latter step up their attacks from this zone on Israel, then obviously that zone and probably other targets or areas in Lebanon will be attacked or seized by Israel.

The zone, in the foothills of Mount Hermon, is mainly delimited by what it does not contain, which is the sensitive central sector of the Lebanese-Israeli frontier around the town of Bint Jbeil, from where the guerrillas were evicted by the Lebanese Army ten days earlier.

Perhaps the most important single fact to emerge from this crisis is that the internal solidarity of Lebanon is much stronger than any one dared hope. External pressure only served to draw the various religious communities together and many Lebanese who fancied themselves Leftist progressives or pan-Arab nationalists discovered that first of all, they were Lebanese patriots.

The prime casualty of the crisis was the mythical but very important being called "Arab". The Lebanese have asserted that they were primarily Lebanese and got away with it.

Likewise, it demonstrated that while Palestine is of deep concern to the average Lebanese it is not a grassroots issue for which he is prepared to confront the authorities. The biggest mistake of the Palestinians was a gross over-estimation of their popular support in the Lebanon.

The second mistake the Palestinians made was to show themselves working in co-ordination with Syria. Early in the crisis, Syria succeeded in isolating Lebanon from many Arab States, but greater understanding brought them round so that now it is Syria that is isolated.

By travelling, against the advice of some of his extremist colleagues, from Damascus to Cairo and there accepting a settlement, Mr. Yassir Arafat, the Palestinian leader, showed some disposition to break away from Syrian influence. In fact, the proposal has been made that the commando groups should move their headquarters away from Damascus.

The Palestinians have, of course, also made some gains. The presence of their commandos on Lebanese territory has now been officially accepted and is a public fact. It had been accepted before but only semi-publicly. This is mainly a moral gain, but it is nevertheless of importance to a resistance movement seeking to establish its presence and legitimacy.

Inside Lebanon, the Army has greatly increased its popularity and this has been at the expense of the professional politicians who were both unable and unwilling to do anything to help resolve the crisis. With the commando problem out of the way, President Helou may at long last be able to find politicians willing to serve in a new Cabinet.

Extremist groups both amongst Palestinians and the Lebanese may continue to protest against the Cease-fire Agreement and occasional acts of violence could yet occur. But basically the Lebanese have once again worked out an understanding according to the well-tried Lebanese formula of "no victor, no vanquished".

(**The Times**, London, **Le Monde**, Paris, **The Egyptian Gazette**, Cairo, **The Statesman**, Calcutta and **The Hindustan Times**, New Delhi)

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CEYLON

A. First Oil Refinery Opened: Ceylon's first oil refinery was formally opened on October 12, 1969 by the Prime Minister, Mr. Dudley Senanayake.

At present, the Government spends Rs. 100 million annually on the import of refined petroleum products.

Built at a cost of Rs. 200 million, the refinery, established by the Ceylon Petroleum Corporation, will process 1.7 million tons of crude oil per year. It is expected to reach its maximum production capacity in 1973 when it will meet most of the petroleum product requirements of the country. It will produce 11 different refined petroleum products which have been imported hitherto.

An Agreement has been entered into with the Consolidated Petroleum Supply Company, a subsidiary of the Dutch Shell Company, for the supply of crude oil and the purchase of surplus products as well as the training of Ceylonese personnel to run the refinery. A technical team from the Consolidated Petroleum Supply Company has arrived in the Island to run the refinery for the next two years, during which time they will train local personnel to take over from them.

(**The Ceylon High Commission,** New Delhi)

[Prev. ref. 7939:CEY:A]

B. Crop Production Targets: The Agricultural Implementation Programme for 1970 has set a paddy production target of nearly 75 million bushels.

This represents an increase of 12 per cent on the anticipated performance in 1969. As the total paddy production in 1969 is likely to be in the region of 67 million bushels, the target for 1970, if achieved, would result in the production of about 8 million bushels of paddy more than in 1969.

Rice output has increased consistently since 1965.

Substantial increases have been planned in the production of subsidiary food crops in 1970. The percentage increases over the 1969 targets with regard to the principal crops are: dried chillies: 21.8 per cent; red onions: 12.0 per cent; maize: 36.3 per cent; groundnuts: 13.9 per cent; and potatoes: 15.8 per cent.

The estimated production of the export crops in 1970 is as follows: tea 531 million lbs; rubber 355 million lbs; and coconut 3,000 million nuts. The figures for the respective crops in 1968 were 496 million lbs, 328 million lbs and 2,600 million nuts.

(**The Hindu,** Madras and **The Ceylon High Commission,** New Delhi)

[Prev. ref. 8336:CEY:A, 8548:CEY:A]

C. Accord With India On Tea Consortium: Colombo reports quoting official sources said on November 13, 1969 that "complete agreement" on the broad frame-work of the proposed joint Indo-Ceylonese Consortium to push up tea exports had been reached in the talks between the delegations from the two countries.

The Indian working group's proposal that the Consortium should be in the form of a Joint Management Council with three directors each of two separate national companies to be floated for promotion of tea exports was accepted by Ceylon.

Ceylon's working group had suggested a single joint consortium for the purpose with no national concerns.

In national companies, which will have a share capital of about Rs. 50 million each, only the Governments and producers will have holdings.

The six-member Joint Management Council will decide on all policy issues regarding packing, blending and marketing of tea in both traditional and non-traditional markets.

The chairman and the deputy chairman of the Joint Council will alternate every three years between the two Governments.

It was left to the two Governments, which have to ratify the Agreement reached at the talks between the representatives of producers of the two countries, to decide on where the headquarters of the Consortium should be located.

But talks between the officials of the two countries represented on the Indo-Ceylonese Standing Committee on Tea had got bogged down on the main issue, namely, in what proportions the two countries, who account for 80 per cent of world tea exports, should bear the cut of 90 million lbs in total world tea exports for 1970.

(**The Times of India,** Bombay)

[Prev. ref. 8624:CEY:A]

CHINA

A. Border Talks With USSR: China and the Soviet Union opened in Peking on October 20, 1969 talks to settle their border disputes.

Heading the respective teams were the Deputy Foreign Minister, Mr. Chiao Kuan-hua, and the First Soviet Deputy Foreign Minister, Mr. Vasily Kuznetsov, described by Western observers as Russia's "top diplomatic troubleshooter."

On November 6, 1969, a Hong Kong communist newspaper reported that the border talks had stalled.

China refrained from official comment on the discussions, but the weekly English-language edition of **Ta Kung Pao** said its correspondent in Canton had learnt that the talks had run into trouble.

The **Ta Kung Pao** is an authoritative source on communist affairs, but in the report it did not claim to be speaking for China. In the past it had frequently embarrassed itself by its misinterpretations of the Maoist line.

The newspaper stated: "The negotiations on the boundary question have not been proceeding as smoothly as some in the outside world have made them out to be."

It was not clear whether the newspaper's correspondent received this information on a visit to Peking or whether he had it at second-hand from a member of the **Ta Kung Pao's** staff, who was recently in the Capital. The story was couched in fairly tentative terms, carefully hedging its assertion that "there is yet no sign of progress" with the phrase "for all that our correspondent has been able to learn."

The actual obstacle to progress was not clearly identified. The newspaper hinted that the Russians had [illegible] to aggressor's special repre- agreeable to both sides through con-sultations carried out on a basis of equality" which would allow an "all-round settlement of the boundary question and the conclusion of a new Boundary Treaty."

But, the newspaper also suggested that the Soviet side may be dragging out the negotiations in the hope of winning some concessions from the Chinese on other issues in return for a settlement of the frontier dispute.

President Podgorny of the Soviet Union said in a speech in the Kremlin on November 6, 1969 that a favourable outcome of the Peking talks "would help further to normalize relations between the Soviet Union and the People's Republic of China and to strengthen world socialism and the entire revolutionary movement."

It was noted that he said "would," not "will", and gave no hint of optimism about Chinese intentions. He confirmed that the talks were begun "at the Soviet initiative."

Peking, reports say, is still adhering to its demand that the Russians must recognize the inequality of the 19th century border treaties before anything is re-negotiated, and is even repeating territorial claims. The Russians had wanted to relegate the "admission of inequality" to a lower place on the agenda in the hope of evading it.

(**The Times,** London)

[Prev. ref. 9237:CHI:A]

B. **Resentment Against Indian Courtesies To Dalai Lama:** The **New China News Agency** on October 16, 1969 accused India of persisting in its anti-China policy and said that the Dalai Lama was trying to "whitewash the expansionist policy of the Indian reactionaries."

The **Agency** was commenting on events in New Delhi on October 10 when the Indian President, Mr. V. V. Giri and the Minister of External Affairs, Mr. Dinesh Singh, separately received the Tibetan leader.

It said: "The reactionary Indian Government has again made use of Dalai, chieftain of the Tibetan traitorous bandits, to carry out frenzied anti-China activities. This shows that the reactionary Indian Government is persisting obdurately in its hostile stand towards the Chinese people and that all the repeated utterances of its chieftains about their intention to 'improve India-China relations' are nothing but deceitful lies."

The **Agency** alleged that Mr. Dinesh Singh had told the Dalai Lama "that the Indian Government's 'support was always there' to bring up the so-called 'Tibetan question' at the United Nations General Assembly session so as to seek help from this imperialist-manipulated Organization for intervention in China's internal affairs".

"With the reactionary Indian Government pulling the strings behind the scenes", it added, "traitorous bandit Dalai made a lengthy reactionary speech in the School of International Studies. Discarding his religious cloak, this traitorous bandit filled his speech with counter-revolutionary politics and tried nauseously at the same time to whitewash the expansionist policy of the Indian reactionaries."

(**The Hindustan Times,**
New Delhi)

[Prev. ref. 8848:INI:I, 9238:CHI:C]

INDIA

SUMMARY: Requisitioned A-ICC Meeting; CPI Support To Mrs. I. Gandhi; UP Ministers' Resignations; Pakistan's Violation Of Air Corridor; Mizo Hills Villages' Re-grouping; Preventive Detention Act To Lapse; Extremists' Activities; LIC Business.

A. **Requisitioned A-ICC Meeting:** The requisitioned meeting of A-ICC members belonging to Mrs. Indira Gandhi's group met in New Delhi on November 22 and 23, 1969. About 440 members (out of a total of 706) were stated to be present. It removed Mr. S. Nijalingappa from the Presidentship of the Congress (in retaliation to Mr. Nijalingappa's expulsion of Mrs. Gandhi from the primary membership of the Congress Party), elected Mr. C. Subramaniam as its **interim** President, and elected ten members to its Working Committee. They were all members of the original Congress Working Committee from which the break-away took place. Later, Mr. Subramaniam nominated ten more new members to his Working Committee.

Mrs. Gandhi presided.

The following is the State-wise break-up of A-ICC members attending the session (the figure given in brackets is the strength of the A-ICC members in that State):

Andhra 45 (51); Assam 16 (22); Bihar 39 (73); Delhi 2 (7); Goa 6 (6); Gujarat 3 (28); Haryana 10 (12); Chandigarh 2 (2); Himachal Pradesh 7 (7); Jammu and Kashmir 8 (8); Kerala 14 (24); Madhya Pradesh 43 (43); Mysore 9 (26); Manipur 3 (6); Maharashtra 50 (52); Tamil Nadu and Pondicherry 16 (50); Tripura 7 (7); UP 62 (112); Orissa 19 (25); Punjab 17 (17); Rajasthan 29 (33); West Bengal 18 (52); Bombay 5 (10); Nagaland 3 (3); N-EFA 1 (1) and six of the 14 members elected by the Congress Parliamentary Party.

Mr. F. A. Ahmed's Welcome Speech: Mr. Fakhruddin Ali Ahmed, Chairman of the Reception Committee, welcomed the A-ICC members and others.

Mr. Ahmed recalled how the high idealism and spirit of sacrifice sustained by Congressmen got eroded in recent years and much of the misfortune, whether in the country or in the organization, stemmed from this erosion. It was time to re-capture the same spirit, the same zeal and the fervour of sacrifice which characterized the organization in earlier years, "for we have come at the crossroads today and have to take a direction almost afresh and adopt our line of action with vigour and determination."

Tracing the background to the present crisis in the organization, he said it started long before the selection of the Presidential candidate. The adversaries themselves had admitted that their quarrel with the bulk of the rank and file of the organization and the progressive leadership was of a long duration. The Presidential election only provided a turning point, an occasion for "well-laid conspiracy to see that the progressive elements in the party were not allowed to speak out or remain at the helm of affairs in the Government."

When the selection was made, he said, it was openly declared by many people that the decision would cut the Prime Minister down to size and that the subsequent election would also ensure that Government leadership was rid of those "who did not agree with the policy of status quo, which would be essentially the policy of reaction."

On party discipline, he said: "Disciplined conduct and behaviour is an essential ingredient for the proper functioning of the party. However, this can be be effectively ensured only on the basis of strict adherence to party policies and programmes and in internal democracy within the party involving party organs at various levels."

Resolution For A New President: Mr. A. K. Sen, a former Law Minster, moved the main resolution which provided that the programme of electing a new Congress President in December, 1969, when the term of the present President would have ordinarily come to an end, be undertaken on the basis of the present delegates so that the election of the new President could be completed by December 30, 1969.

He said the requisition submitted to the Congress President, Mr. Nijalingappa, was "perfectly valid", but the meeting was not called because the majority was on the side of the Prime Minister. "They knew that they had no majority and were afraid to call the A-ICC."

He maintained that the Working Committee's decision taken at Faridabad to postpone the organizational elections needed to be ratified by the A-ICC within six months. This was clear from the party's constitution and yet no attempts were made to call the A-ICC before the expiry of the six-month period.

Resolution On Removal Of Mr. S. Nijalingappa:

Seth Govind Das moved the resolution on the removal of Mr. Nijalingappa from Congress Presidentship.

The following is the text of the resolution:

"The acceptance of the Prime Minister's note, embodying a radical programme, by the Bangalore session of A-ICC, and the bold step taken by her to nationalize the major banks created a sense of confidence in the masses that the progressive and socialist policies of the Congress would be fully carried out.

"The resolution of the Congress Working Committee passed on August 25, 1969 generated the hope that the unity necessary for the full and effective implementation of the said policies and programmes would be brought about. Unfortunately the wind of change, which has been welcomed widely by the nation, appears to have generated tensions within the party which threaten the execution of these basic policies to which Congress stands committed.

"It is evident that the declared policies of the Congress cannot be fully implemented unless the Congress organization as a whole is attuned to this purpose and gives its whole-hearted co-operation, particularly at its top level.

"The A-ICC, therefore, resolves that the programme of elec'ing a new Congress President in December, 1969, when the term of the present President would have ordinarily come to an end, be undertaken on the basis of present delegates and steps to that end be taken without delay so that the election of a new President is completed by 30th December, 1969."

The following is the text of an amendment moved by Mr. H. N. Bahuguna:

"Since the requisition notice was submitted to the Working Committee, the Congress President took the unusual step of removing two of the Working Committee members and declaring the membership of one member as having lapsed, which in the view of the A-ICC is illegal and unconstitutional. Moreover, since some members of the Working Committee have been removed illegally, there is no validly constituted Working Committee. Further, the President has refused to co-operate in the holding and conducting of the requisitioned meeting of the A-ICC, declaring that this is an illegal meeting. Therefore, he is not likely to carry out the resolution passed by this meeting of the A-ICC. Therefore, it has become necessary for the A-ICC to take necessary steps to conduct the election of the President, in pursuance of which this meeting appoints Dr. S. D. Sharma as the Returning Officer and the following time-table fixed for the purpose."

This resolution was adopted with only one hand raised against the second resolution removing Mr. Nijalingappa when it was put to vote.

Mr. Subramaniam's election as **interim** President went through in minutes. His name was proposed by Mr. V. P. Naik, Maharashtra Chief Minister, and seconded by Mr. M. L. Sukhadia, Rajasthan Chief Minister.

Immediately after the proposal was adopted unanimously, Mrs. Gandhi vacated the Presidential seat for him.

Mrs. Indira Gandhi's Speech:

Mrs. Indira Gandhi, in a speech, declared that she wanted unity even now, but the door must be closed on those working against "our policies, our way of thinking and our ideology."

She added that the doors of the party were open to those who had left the organization because of personal differences, referring presumably to men like Mr. Charan Singh of the BKD and Mr. Ajoy Mukherjee, West Bengal Chief Minister.

Mrs. Gandhi broke down twice, her emotions getting the better of her over the issue of her expulsion from the party. The first time was when Mr. T. T. Krishnamachari described Mr. Nijalingappa's action as a shocking blow to the country's stability, taken by "wise people" who, after working India's democratic experiment successfully for 20 years, had suddenly started "to cut the tree at its roots."

As Mr. Krishnamachari was saying that Mrs. Gandhi could not be removed from the Congress because her every fibre belonged to the party, Mrs. Gandhi was seen wiping a tear from her eyes.

Shortly afterwards, while Mrs. Gandhi spoke on the tasks before the requisitioned session, she recalled the events leading to her expulsion. In a voice choked with emotion, she agreed with Mr. Krishnamachari that no one could throw her out of the party because she belonged to it heart and soul.

She took pains to emphasize that the decision to hold the meeting had been taken after much anxious thought. The Congress was getting divorced from the people, thus destroying its value as the king-pin of the democratic system. This unfortunate trend had to be reversed, and the cherished social and economic goals of the party reaffirmed to renew its bonds with the people. "We have to find a new light, a new way to solve our problems. We have to be in tune with our people."

Suspensions Annulled—New Working Committee Formed:

Next day (November 23, 1969), the meeting removed all the 11 members of the Congress Working Committee under Mr. Nijalingappa from their offices on a motion proposed by the **interim** President, Mr. C. Subramaniam. One member voted against the motion.

He himself moved the resolution for the removal of Mr. K. Kamaraj, Mr. S. K. Patil, Mr. Morarji Desai, Mr. Atulya Ghosh, Mr. K. C. Abraham, Mr. Hitendra Desai, Mr. C. B. Gupta, Mr. P. Venkatasubbiah, Mr. Sadiq Ali and Dr. Ram Subhag Singh, who were present when the decision to expel the Prime Minister was taken from the Working Committee.

Taking note of this situation, the **interim** President, Mr. Subramaniam told the meeting that the "partition" in the Congress Party should take place in a friendly and peaceful way and the two parties should go along their chosen path and leave it to the people to decide which of them was a better instrument for their service.

It was also resolved to hold the plenary session of the Congress in Bombay from December 26 to 28, 1969. The Subjects Committee and the A-ICC would meet on December 26 and 27 and the open session would be held on December 28. The Bombay Pradesh Congress Committee and the Maharashtra Pradesh Congress Committee would host the session. It would ratify the resolutions adopted by the requisitioned A-ICC.

By another resolution moved by Mr. Mishrilal Gangwal, the expulsion of Mrs. Gandhi and the removal of Mr. C. Subramaniam, Mr. Fakhruddin Ali Ahmed and Dr. S. D. Sharma and the suspension of Mr. Arjun Arora and Mr. Shashi Bhushan were annulled.

The resolution was so worded that whatever disciplinary action was taken by Mr. Nijalingappa's group in the Working Committee after October 30—which included the suspension of Mr. Kamalapati Tripathi and Mr. H. N. Bahuguna—was annulled. It made clear that Mrs. Gandhi continued to be "a primary member of the Congress and an active member of the Working Committee and leader of the Congress Parliamentary Party."

To demonstrate their confidence in Mrs. Gandhi and her supporters in the Working Committee, the A-ICC re-elected Mrs. Gandhi, Mr. Y. B. Chavan, Mr. Jagjivan Ram, Mr. Fakhruddin Ali Ahmed, Dr. S. D. Sharma, Mr. V. P. Naik, Mr. K. Brahmananda Reddy, Mr. Mohan Lal Sukhadia and Mr. Uma Shankar Dixit to the Working Committee besides Mr. D. P. Mishra.

The **interim** President nominated ten others in accordance with the amended party constitution—Mr. D. Sanjivayya, Mr. Siddhartha Shankar Ray, Mr. Mir Qasim, Mr. H. N. Bahuguna, Mr. K. R. Ganesh, Mr. V. C. Shukla, Mrs. Nandini Satpathi, Mr. Chandrajit Yadav, Mr. K. Karunakaran and Mr. Kollur Mallappa.

All Congress Chief Ministers and PCC Presidents would be special invitees besides Mr. T. T. Krishnamachari, Sardar Swaran Singh, Mr. G. L. Nanda, Mr. Chandra Shekhar and Mr. Fatehsingh Rao Gaekwad.

Mr. C. Subramaniam's Address:

In his address, the **interim** President, Mr. C. Subramaniam argued that the basic difference in the attitude towards various policies had brought about the parting of ways between the two groups. It was better to part company without bitterness or anger.

He asked the party men to recapture the glorious image of the Congress and become "efficient soldiers" in the struggle for eradication of poverty and establishment of a socialist system.

He referred to the anti-Congress atmosphere in the country at the time of the last General Elections, which was the reaction of the people to the way in which the party had been functioning. It had become necessary to inject new blood into the organization. It was his hope that in the next few weeks while he was President, he would streamline the party secretariat and try to bring about greater co-operation between the A-ICC and the Congress Parliamentary Party.

The 21 members of the new Working Committee came from 13 States and one Union Territory. The States not represented were Gujarat, Haryana, Nagaland and Punjab. Uttar Pradesh had four members, Madhya Pradesh three and there were two each from Andhra Pradesh and Maharashtra.

Six Central Ministers were on the Committee—four of Cabinet rank including Mrs. Gandhi, one Minister of State and one Deputy Minister. There were three State Chief Ministers—from Andhra, Maharashtra and Rajasthan.

Mrs. N. Satpathi is, at 38, the youngest member of the Committee. She was, as her published biography shows, associated with the Communist Party of India. She had been active in the Congress since 1960 when she was chosen to head the Women's Section of the Orissa PCC. She came to Parliament as a member of Rajya Sabha in 1962 and was appointed Deputy Minister for Information and Broadcasting in January, 1966.

Mr. Chandrajit Yadav was also previously connected with the CPI in UP. Mr. K. R. Ganesh was joint secretary of the All-India Students' Federation from 1945 to 1948 and was thought, therefore, to have been close to CPI.

New Secretaries & Treasurer:

Mr. C. Subramaniam appointed two General Secretaries—Dr. S. D. Sharma and Mr. H. N. Bahuguna—on November 23, 1969.

A third name would be announced later.

Mr. Uma Shankar Dixit was appointed Treasurer—the counterpart of Mr. S. K. Patil in the other Working Committee.

Five persons were nominated to the Central Parliamentary Board—Mrs. Gandhi, Mr. Jagjivan Ram, Mr. Y. B. Chavan, Mr. Fakhruddin Ali Ahmed and Mr. C. Subramaniam. Three seats were left vacant.

Economic Policy Panels:

In a brief statement on economic policy, Mrs. I. Gandhi made a powerful plea for land reforms at the requisitioned meeting of the A-ICC on November 23, 1969 and warned that neglect might create a situation "neither we nor any one else will be able to control."

Mr. T. T. Krishnamachari outlined the key tasks on the economic front and wanted checks on the growth of monopolies and expenditure, mopping up of the savings of the rich for hastening economic development through higher taxation, and administrative plus legal changes to stamp out tax evasion.

At Mrs. Gandhi's suggestion, it was decided that the **interim** Congress President, Mr. C. Subramaniam, would appoint four ten-member panels to recommend the priorities to be adopted in various fields of development.

The first panel would deal with the problems of the country-side, with special reference to the needs of the landless and of farmers cultivating in dry areas.

The second would look into issues of industrial policy, including the deficiencies of the public sector and the scope for associating workers with management.

The third panel would examine the scope for public works, with particular reference to initiation of schemes for slum clearance, extension of irrigation facilities and building of rural roads. The aim would be to find more job opportunities for the landless in the countryside, and unemployed engineers, technicians and others from the cities.

The fourth panel would endeavour to work out a "socialist charter" for children, in consonance with the aim of creating equality of opportunity for the future citizens of all classes. "We can enable the backward sections of our population, like Harijans and others, to come up only when we provide the opportunity to them to improve their lot."

Reactions:

Mr. S. Nijalingappa said that the developments were "unfortunate." He maintained that the claim of 440 elected members having attended the Delhi meeting was "bogus and wrong."

Constitutionally, he said, they were on a firm footing—and a lot more might be heard from their camp in the next two days about the illegality of the Delhi meeting. But they would resist the temptation of basing their strategy exclusively on legal factors: the consensus regarded the Delhi A-ICC as a political challenge to be met as such.

Dr. Ram Subhag Singh, however, confined himself to the constitutional aspect. "The Delhi meeting is not competent either to expel Mr. Nijalingappa or to elect Mr. Subramaniam as Congress President. Besides, Mr. Subramaniam is not a member of the A-ICC and is thus not qualified to attend the meeting (granting that it is a session of the A-ICC), much less to be chosen as the party chief. This **tamasha** is rather odd."

He had a similar objection to the presence of Mrs. Gandhi who, he said, was no longer a member of the Congress Party.

Mr. K. Kamaraj said that the meeting was not "an organizational A-ICC" but "a governmental A-ICC," noting that the delegates attending included "about" 90 Ministers of the Central and State Governments and "nearly" 45 MPs belonging to the Prime Minister's group.

Mr. S. N. Mishra said the "unconstitutionality" of the requisitioned meeting was made worse by the steps it had taken.

(**The Hindustan Times, The Statesman** and **The Times of India**, New Delhi)

[Prev. ref. 9242:INI:I, 9285:INI:B]

B. Mr. S. Nijalingappa's Letter To Mrs. I. Gandhi On One-Man Rule: Mr. S. Nijalingappa released on November 19, 1969 a letter he sent to Mrs. Gandhi on November 11, barely 24 hours before she was expelled from the party, in which he asked her why she had neither submitted accounts for the funds she had collected in the name of the party nor filed her return of assets to the A-ICC.

He said in the letter: "May I ask you whether it is not a fact that you and your close associates have collected large sums of money in the name of the party and for political work. You are aware that the resolutions of the Congress make it obligatory for a Minister to report all collections even for charitable purposes to the A-ICC. You know too that the rules of the A-ICC require that Ministers and Members of Parliament and legislatures submit a declaration of their assets to the A-ICC."

The letter was in reply to Mrs. Gandhi's communication to Mr. Nijalingappa on November 3. It said that Mr. S. K. Patil had already answered the allegations made by her about the collection of elections funds by him. He had stated that he had submitted accounts to the organization as well as in the High Court of Bombay.

Dealing with various points raised by Mrs. Gandhi, Mr. Nijalingappa said that the "persistence with which you are attempting to paint your bid for one-man rule in the organization and the Government as a conflict between the so-called progressive and radical section and the so-called reactionary section in the Congress cannot mislead any one except the stormtroopers. No aspirant for dictatorial powers in the 20th century has omitted to put on the garb of socialism."

He said: "Your answer to my statements on one-man rule and the personality cult is significant. You have said that the accusation is saddening and hurtful. It is significant that you have not denied my statement that your actions and attitudes betray your desire to establish one-man's rule.

"You say that the Constitution of our country has provided built-in safeguards against one-man rule. So had the Constitution of Weimar Republic in Germany. One does not have to look to the distant past for parallels. The history of the 20th century is replete with instances of tragedy that overtakes democracy when a leader who has risen to power on the crest of a popular wave or with the support of a democratic organization becomes a victim of political narcissim and is egged on by a coterie of unscrupulous sycophants who use corruption and terror to silence opposition and to attempt to make public opinion an echo of authority.

"The Congress, as an organization dedicated to democracy and socialism, has to combat such trends."

In the letter, Mr. Nijalingappa covered almost the same ground as in his communication to Mrs. Gandhi on October 28, which was in the nature of a massive charge-sheet (see page 9264).

(**The Times of India**, New Delhi)

[Prev. ref. 9263:INI:B]

C. CPI To Support Mrs. I. Gandhi: The Chairman of the CPI, Mr. S. A. Dange, stated in New Delhi on November 26, 1969 that his party was not satisfied with the "mixed character of the Indira Gandhi Congress," but would continue to defend it as long as there was a threat of the "Rightists' take-over of power."

He found a qualitative change in Mrs. Gandhi's Congress because Mr. Morarji Desai was not there. Of course, there were still many more who should be "purged." For instance, it was a "mystery" to him how Maharaja Fatehsingh Gaekwad had been associated with the new Congress Working Committee, if the party was committed to abolish privy purses and princely privileges.

The best course to stabilize the situation at the Centre and successfully adopt progressive measures was to form a "national democratic front" Government. No single party, he felt, was in a position to run the Government.

He was of the view that a national democratic front coalition Ministry should be constituted immediately at the Centre. But the CPI support to Mrs. Gandhi was not dependent on this. The party was determined to frustrate the "Jana Sangh-Swatantra-Syndicate axis." However, if the Government wanted to bring any retrograde or reactionary measures, such as the Preventive Detention Act, the CPI would oppose it.

CPI Resolution:

The possibilities of a wider national "democratic front" on a national scale as a result of the split in the Congress were hinted at in a resolution adopted by the National Council of the CPI on November 25, 1969.

The Council, which made a brief reference to such possibilities in the context of the future of the United Front in West Bengal, said that the attitude of the CPM was tarnishing the image of the United Front. The Council took a serious view of the situation created within the Front by the sectarian and disruptive policies of the CPM. It pointed out that having seen the success of the UF and utilizing the gains of the masses, the CPM was now directing its main policy with the disruptive aim of establishing its domination over the UF at the cost of other partners and the democratic movement as a whole.

It alleged that this policy was being ruthlessly pursued by the CPM by misusing the Government machinery and by organizing campaigns of terror and murder against the partners of the UF. It said that in the name of class struggle, the CPM was pitting worker against worker, peasant against peasant, thus causing serious division in the mass movement. "The method of political gangsterism against the UF partners is a danger to the United Front."

It appealed to all Left parties, including the CPM, to support the new Kerala Ministry and judge it on the basis of its performance and the role it was playing in ensuring that President's Rule was not imposed in Kerala at a time when the national scene was fast changing.

The Council condemned the attitude of the CPM in Kerala and blamed the party for wrecking the previous United Front Government.

(**The Times of India** and **The Hindustan Times**, New Delhi)

[Prev. ref. 9251:INI:A, 9292:INI:A]

D. Congress Party In Parliament (Opposition) Issues Policy Statement: In a policy statement issued in New Delhi on November 22, 1969, the Congress Party in Parliament (Opposition) pledged itself to the goal of assuring minimum living standards to the people by 1975, removing disparities in rural and urban incomes and broadening of socialism through deepening of democracy.

It laid considerable emphasis on the need for vigilance to preserve democracy and socialism. It argued that those who sought authoritarian "socialism" had subverted various institutions into convenient instruments of the supreme authority and "the social structure is sought to be made wholly subservient to the power apex."

The nine-page statement incorporated a number of changes made in the original draft during prolonged discussions in order to accommodate different view-points on the party's economic programme and the mode of its implementation.

Explaining the need for a policy statement when the Congress Party's policy and programme were well known, the Party Chairman, Mr. Morarji Desai said the intention was to rebut the propaganda against the group that it represented forces of reaction. He explained that although *he opposed abolition of privy purses, at one stage he had fallen in line with the A-ICC resolution on this subject.*

He spoke about the growth of "fascist-type authoritarian tendencies in the country." Asked whether the Constitution did not provide safeguards against growth of fascism, he said that the safeguards had to be invoked. That underlined the need for public education.

He said that his Party would start a crusade against use of **All-India Radio** and the Government machinery for propagating the views of a certain group and furthering its political objective. The strong feeling against **A-IR** might lead parties to adopt an agitational approach. He felt that to ensure proper use of **A-IR** it should be brought under the control of a Parliamentary Committee.

He alleged that the appeal to Muslim and Scheduled Caste votes during the Presidential election by responsible persons was tantamount to fomenting communal passions. "This is far more dangerous than direct communal instigation."

He said that the strength of the Party in Parliament now was 100—62 in the Lok Sabha and 38 in the Rajya Sabha. He did not believe in "pinching away" members from other parties, but admitted that negotiations were going on with some. There was nothing wrong in having "honourable, dignified and democratic negotiations with anybody" or in conversion through faith and persuasion.

He said it was "indiscipline" at the top level and the "fascist-type" methods of the Governmental wing that had led to the split in the CPP.

He made further points on the policies and programmes of his group. On democracy and socialism: "A democracy will have to be socialist in order to remain a democracy. Likewise, there can be no socialism without democracy."

On privy purses: "I may have said abolition of privy purses is a breach of pledge to the princes, but now that the Congress has taken a decision, I have to abide by it."

On **All-India Radio:** "My opposition to the Chanda Committee's recommendation that **A-IR** should be made a public corporation was a mistake. But even an autonomous corporation does not solve the problem because it can be packed by people of one side. It must be a Parliamentary Committee which should be there."

Modifications:

Earlier, the pro-Nijalingappa Congress Parliamentary Party had revised the draft of its first policy statement to tone down its commitment to mixed economy and to the role of the private sector. This was a concession to those members who wanted the party not to provide an opportunity to Mrs. Gandhi's group to outdo them in professions for socialism.

The first statement thus significantly omitted several references—among the deletions being: "India's economy is a mixed one by deliberate choice" or "in large-scale industries, private enterprises exist in our country and must continue to exist", or "the private sector is entitled to equal respect and opportunity as the public undertakings in the sphere allotted to it".

On the other hand, the final document contained a warning—which was not there in the original draft—"against the growth of monopolies and concentration of economic power." It, however, cautioned that "Government regulations are to be employed for quick and even industrial growth and not for restriction and constriction at every turn. The industrial economy that we seek to build has to be modern and strictly competitive in the world markets."

An additional paragraph was devoted to the ills of the co-operatives which had to play "an increasingly important role." But, "the vested interests entrenched in the co-operatives have to be eliminated through statutes or otherwise. Steps have to be taken to liberate the co-operational politics."

Two other new subjects which did not find place in the original draft related to foreign policy and law and order situation.

The Opposition Congress upheld the policy of non-alignment and pursuit of peace in international relations, but said that it "can never acquiesce in non-alignment being made a cover for leaning on one particular Power grouping nor excuse lapses in international morality in its name."

Noting "steady deterioration" in the law and order situation in many parts of the country, it said that "political activities that stir mass hysteria weaken the fabric of social order further and pledged itself to uphold the frame-work of law and order because in its absence progress gets retarded and the life of every person becomes insecure."

(**The Hindustan Times,** New Delhi)

[Prev. ref. 9263:INI:B]

E. Accord Over Congress Party Names In Parliament: It was agreed on November 17, 1969 that the new group of Congress members of Parliament formed under the chairmanship of the former Deputy Prime Minister, Mr. Morarji Desai, would be known as "Congress Party in Parliament—Opposition."

The section headed by Mrs. Indira Gandhi would continue to be called "the Congress Party in Parliament."

The formula was evolved when Dr. Ram Subhag Singh, Leader of the Congress Opposition in the Lok Sabha, met the Speaker.

Dr. Singh, whose group will be the officially recognized Opposition party, has been allotted the room earlier occupied by the Labour Minister, Mr. Jaisukhlal Hathi, in Parliament House. The new group will also have its own separate office in Parliament House.

(**The Statesman,** New Delhi)

[Prev. ref. 9291:INI:A]

F. West Bengal PCC Suspended: In a letter to the President and Executive Committee members of the West Bengal PCC, Mr. C. Subramaniam, the newly elected President of Mrs. Indira Gandhi's Congress, suspended them and transferred their functions to an ad hoc committee.

The three-man committee consists of Mr. K. K. Shukla, who is to act as the convenor, Mr. Pijush Kanti Mukherjee and Mr. Abdur Sattar.

The show-cause notice required the Executive Committee to give its explanation by November 30, failing which further proceedings were threatened. The **ad hoc** committee was made responsible to Mrs. Gandhi's Congress Working Committee and could co-opt additional members.

The West Bengal PCC was asked to hand over all properties and documents to this Committee. The official Committee was held guilty of a "serious breach of discipline" by carrying on propaganda against the decisions of the requisitioned A-ICC meeting and of lowering the prestige of the Congress by its statements against Mrs. Gandhi's Working Committee.

Mr. Subramaniam declared that the main criterion he would have in taking action against other PCCs would be their non-recognition of "the Indian National Congress of which I happen to be the President". He described the action against the West Bengal PCC as a matter of separation of the two organizations. He said the process of "sorting out" was bound to take some time.

The official Congress President, Mr. Nijalingappa replied to the offensive by Mrs. Gandhi's camp by asking the President and Executive Committee members of the West Bengal PCC to disregard the show-cause notice.

Mr. K. K. Shukla Removed As General Secretary:

Dr. Pratap Chandra Chunder, President of the West Bengal Pradesh Congress Committee, announced in Calcutta on November 26 that Mr. Krishna Kumar Shukla was no longer the General Secretary of the party or a member of its Executive Committee.

"I shall in due time proceed to appoint a new General Secretary", he said in a statement.

(**The Statesman**, Calcutta)

[Prev. ref. 9285:INI:A]

G. **Mysore PCC Suspended:** On November 27, 1969, Mr. C. Subramaniam also suspended the Executive Committee and office-bearers of the Mysore PCC and appointed an 11-member **ad hoc** committee in its place.

Mr. D. Devaraj Urs, MLA, will be the convenor of the **ad hoc** committee which will have the power to co-opt more members for conducting party affairs in the State.

The communication addressed to the President of the Mysore PCC, which was under Mr. Nijalingappa's control, was the same as sent to the West Bengal PCC chief. While in West Bengal, only a 3-member **ad hoc** committee ewas set up, the strength of the **ad hoc** committee in Mysore is 11.

The PCC was charged with "deliberately" acting against the decisions taken at the requisitioned meeting of the A-ICC in Delhi. It was accused of acting in a manner calculated to lower the Congress prestige.

Similar committees were proposed to be set up shortly in Gujarat and Tamil Nadu. (The PCCs in all the four States owe allegiance to the Congress Party headed by Mr. Nijalingappa.)

Although the PCCs in these States do not recognize the authority of Mr. Subramaniam, the latter was taking this action to organize the party machinery wherever it did not exist.

Reaction:

Reacting sharply to the appointment of an **ad hoc** committee to replace the Mysore Pradesh Congress Committee, Dr. Nagappa Alva, President of the Mysore PCC, said in Bangalore on November 27, 1969 that he would "treat it with the contempt it deserves."

He added: "We do not recognize Mr. C. Subramaniam, **interim** President of the Indira Congress, even as a part of the Indian National Congress".

He indicated that the Pradesh Executive might take disciplinary action against those who worked against the unity of the organization.

According to Dr. Alva, only three out of 25 members of the Executive belonged to the pro-Indira Gandhi Congress.

(**The Hindu**, Madras)

[Prev. ref. 9285:INI:A]

H. **Mr. A. P. Sharma Re-instated As President Of Bihar PCC:** Mr. A. P. Sharma, who had been removed from the Presidentship of the Bihar PCC at a meeting of the PCC general body in Patna on November 19, was re-instated on November 27, 1969 by the **interim** Congress President, Mr. C. Subramaniam.

Mr. Subramaniam's office issued a Press release, saying that the so-called requisitioned meeting in Patna should be ignored and the PCC headed by the "constitutionally" elected President, Mr. A. P. Sharma should continue to function as such.

Although the Patna meeting had clearly demonstrated that the Bihar PCC continued to be under the control of the pro-Syndicate faction, this claim had been disputed by the supporters of the Prime Minister. The PCC had elected Mr. K. B. Sahay, former Chief Minister, as its new President in place of Mr. Sharma.

(**The Statesman**, Calcutta and **The Times of India**, New Delhi)

[Prev. ref. 9285:INI:A]

I. **Uttar Pradesh Ministers' Resignations:** On November 20, 1969, the Deputy Chief Minister of Uttar Pradesh, Mr. Kamalapati Tripathi, and eight other Ministers (out of the total Cabinet strength of 16) resigned from the UP Ministry, thus withdrawing their support to the Chief Minister, Mr. C. B. Gupta.

[The Ministers who resigned belong to Mrs. Indira Gandhi's group in the Congress. Mr. C. B. Gupta belongs to Mr. S. Nijalingappa's group.]

Mr. Gupta's Ministry was thus reduced to a "minority" Government in UP. Out of a total Congress strength of 218 out of 425 in the State Assembly, Mr. Gupta claimed the support of 156 members, conceding the support of 62 members to Mr. Kamalapati Tripathi.

In their resignation letters submitted to the Chief Minister, the nine Ministers accused him of supporting the Syndicate group in the Congress which had been opposing the basic pro-socialist policies of the Congress.

The Ministers who resigned, besides Mr. Kamalapati **Tripathi**, were: Mr. Chaturbhuj Sharma (Revenue), Mr. Atiq-ur-Rehman (Local Self-government), Mr. L. S. Yadav (Co-operation), Mr. Ajit Pratap Singh (Jails), Mr. N. D. Tiwari (Planning and Labour), Mr. Swami Prasad Singh (Justice), Mr. Sita Ram (Agriculture) and Mrs. Vidyawati Rathor.

In his long resignation letter to Mr. Gupta, Mr. Tripathi said that after the expulsion of the Prime Minister, Mrs. Gandhi from the Congress, acute differences had arisen between them (he and Mr. Gupta) and now they were "poles apart." He charged Mr. Gupta with being a party to the expulsion of Mrs. Gandhi. He had opposed neither the rejection of the requisition for an A-ICC meeting nor the dropping of the Working Committee by Mr. Nijalingappa, who had thus ensured the majority of his group.

Mr. Tripathi is also President of Uttar Pradesh Congress Committee.

Mr. K. Tripathi Suspended:

Thereupon, the Congress President, Mr. S. Nijalingappa, suspended the UP Congress Committee President, Mr. Kamalapati Tripathi, and its General Secretary, Mr. H. N. Bahuguna, from the party on November 21 on charges of trying to "wreck" the Congress Ministry and spreading indiscipline in the State.

Mr. Tripathi had dismissed the UPCC Secretary, Mr. Banarsi Das, (who belongs to the Gupta faction) on November 20.

Mr. Nijalingappa conveyed the suspension order to Mr. Tripathi by telegram and stayed the dismissal order against Mr. Banarsi Das. He appointed Mr. Mohan Lal Gautam, Vice-President of UPCC, to act as President till a new President was elected.

Support To Mr. C. B. Gupta:

On November 22, the UP Congress members of the State Assembly, A-ICC members from the State and Presidents of Zila Parishads met in Lucknow and authorized the Chief Minister, Mr. C. B. Gupta, to *run his Government in any manner he chose, and not to resign in the eventuality of a possible break-away of the party legislators in support of Mr. Kamalapathi Tripathi.*

Mr. Krishnanand Rai, General Secretary of the Congress *Legislature Party and Health Minister, announced that 137 of the 229 MLAs* and 34 of the 67 MLCs had attended the meeting.

Among others who could not come because of their pre-occupation, he said, 19 MLAs and 12 MLCs had telegraphically informed Mr. Gupta of their support.

He said that invitations for the meeting had been issued to 70 out of 111 A-ICC members from UP; 51 of them were present, while six more had intimated their support to Mr. Gupta. Out of 47 Presidents of Zila Parishads, 28 were present while nine had confirmed their support.

More Ministers Appointed:

Next day (November 23), Mr. C. B. Gupta inducted 29 persons, including three women, into the UP Cabinet.

The Governor, Mr. B. Gopala Reddy, administered the oaths of office and secrecy to the new Ministers.

The six new Ministers are: Mr. Kailash Prakash, MLC, (former Education Minister); Mr. Dau Dayal Khanna, MLC (former Health Minister); Mr. Bansi Dhar Mishra, MLA, Mr. Munishwar Dutt Upadhyaya, MLC (former UPCC President), Mr. Anand Singh, MLA, and Begum Aizaz Rasool.

The three MLCs had been defeated in the General Elections in 1967.

The 11 Ministers of State are: Mr. Shiv Prasad Gupta, MLC, Mr. S. P. Singh, MLC, Mr. Banshi Dhar Pande, MLA, Mr. J. N. Sinha, MLA, Mr. Vijay Kumar Tripathi, MLA, Mr. Ram Kumar Shastri, MLA, Mr. Kalpanath Singh, MLA, Mr. Mumtaz Mohammed Khan, MLA, Mr. Brijraj Singh, MLA, Mr. Dharmvir, MLA, and Mr. Rajendra Pratap Singh, MLA.

The 12 Deputy Ministers are: Mr. Kishan Singh, MLA, Mr. Abdul Salaam Shah, MLA, Mr. Basantlal Sharma, MLA, Mr. Dungan Singh, MLA, Mrs. Siyadulari, MLA, Mr. Nihal Singh, MLA, Mr. Abhinmanyu Prasad Pande, MLA, Mr. Balram Singh, MLA, Mr. Chandra Mohan Singh Negi, MLA, Mrs. Indramohini, MLA, Mr. Prabhakar Tripathi, MLA, and Mr. Ramvilas Pande, MLA.

On November 25, Mr. Gupta allotted portfolios among his new Council of Ministers.

In the allocation, Mr. Gupta has, in addition to his earlier portfolios, retained with him Power, Prantiya Raksha Dal, National Integration and Cultural Affairs and Scientific Research.

The allotment in the Cabinet rank was as follows:

Mr. C. B. Gupta—General Administration, Home, Information, Cultural Affairs and Scientific Research, National Integration and Power;

Mr. Girdhari Lal—Irrigation and Public Works;

Mr. Mangla Prasad—Local Self-Government;

Mr. Kailash Prakash—Planning and Labour;

Mr. Shanti Prapanna Sharma—Industries and Transport;

Mr. Dau Dayal Khanna—Food and Civil Supplies;

Mr. Lakshmi Raman Acharya—Finance and Justice;

Mr. Krishnanand Rai—Health and Co-operation;

Mr. Ramji Lal Sahayak—Education;

Mr. Bansi Dhar Misra—Forests;

Mr. Munishwar Dutt Upadhyaya—Revenue and Relief and Rehabilitation;

Begum Aizaz Rasool—Social Welfare and Animal Husbandry; and

Mr. Anand Singh—Agriculture.

Ministers of State:

Mr. Sheo Prasad Gupta—Power and Co-operation;

Mr. Ram Kumar Shastri—Relief and Rehabilitation;

Mr. Bansi Dhar Pandey—Community Development;

Mr. J. N. Sinha—Education;

Mr. Vijay Kumar Tripathi—Home, Civil Defence, Prisons, and Prantiya Raksha Dal;

Mr. Rajendra Prasad Singh—Home and Information;

Mr. Sheo Prasad Singh—Justice;

Mr. Kalpanath Singh—Irrigation;

Mr. Mumtaz Mohammed Khan—Cane Development;

Mr. Brajraj Singh—Local Self-Government; and

Mr. Dharam Vir—Transport.

Deputy Ministers:

Mr. Krishna Singh—Forests and Nation Integration;

Mr. Abdul Salam Shah—Food and Civil Supplies;

Mr. Basant Lal Sharma—Excise and Cultural Affairs;

Mr. Doongar Singh Bisht—Food and Civil Supplies and Animal Husbandry;

Mrs. Sai Dulari—Public Works;

Mr. Nihala Singh—Revenue;

Mr. A. P. Pandey—Planning;

Mr. Balram Singh—Finance and Social Welfare;

Mr. Chandra Mohan Singh Negi—Industries;

Mrs. Indra Mohini—Information and Power; and

Mr. Ram Bilas Pandey—Agriculture.

(**National Herald,** Lucknow and **The Statesman,** Calcutta and New Delhi)

[Prev. ref. 9285:INI:A]

J. **Pakistan's Violations Of Air Corridor—Protest Note:** It was officially learnt in New Delhi on November 24, 1969 that India had strongly protested to Pakistan against continuous and wilful violation of the air corridor between West and East Pakistan by Pakistani aircraft.

In a Note handed to the Pakistan High Commissioner, Mr. Sajjad Hyder, India noted that although Pakistani aircraft were given permission to overfly Indian territory from West Pakistan to Dacca, a Pakistan C-130 aircraft had deviated from the corridor on October 30. This deviation was apparently for purposes of reconnaissance of Indian defence positions.

In an attempt to forestall Indian protests against the violation, the Chief of the Pakistan Air Force, Air Vice-Marshal Yusuf, had summoned the Indian Air Attache in Islamabad to Peshawar and made a protest that the Indian Air Force had intercepted a Pakistan C-130 on its way to Dacca. India had firmly rejected this accusation by Pakistan, a familiar pattern of accusing the other party when Pakistan itself was involved in violating the rights.

(**The Statesman**, New Delhi)

[Prev. ref. 7260:INI:D, 8141:PAK:C]

K. **Dutch Co-operation In Development:** The Netherlands has extended its full co-operation to India for the successful launching of a development strategy in the seventies.

The offer was made by Mr. B. J. Udink, Minister for Development and Co-operation in the Netherlands Government, during his visit on November 14, 1969.

The Government of India welcomed the initiative taken by the Government of the Netherlands in making commitments for aid for two years at a time, thus enabling this country to plan on a more realistic basis of aid availability. The Government of the Netherlands has offered a new line of credit amounting to 80 million guilders (Rs. 16 crores) bearing a rate of interest of 2½ per cent and repayable in 30 years.

The discussions with Mr. Udink also covered the importance of tailoring the aid to the specific needs of developing countries, taking into account their debt service obligation and the need to gradually untie aid. Untying of aid, particularly for procurement within developing countries of the region, would be a significant contribution to regional economic co-operation and development.

There was complete accord on the importance of reaching agreement on the broad strategy of convergent international action for the Second Development Decade. While it was recognized that the primary responsibility for development rested on the developing countries, corresponding supporting action needed to be taken by the developed countries. The strategy for the Second Development Decade should be such as to lay the foundations for the gradual transformation of the international community to attain the common objective of better human, social and economic development.

(**The Times of India**, New Delhi)

[Prev. ref. 8461:INI:R]

L. **Re-grouping Of Villages In Mizo Hills—Second Phase Completed:** It was disclosed in Calcutta in November, 1969 that the second phase of re-grouping in the Mizo Hills district of Assam—called "Operation Accomplishment II"—had been completed and the re-grouped villages were being handed over by the Army to the civil administration.

The first phase of re-grouping had been carried out in January-February, 1967 along a 10-mile belt astride the Vairangte-Aijal-Lungleh road and involved the movement of about 48,000 people. Though attempted for the first time in India under considerable handicaps, it was a rewarding experience and was welcomed by the local people as it provided security to them by isolating subversive elements and bringing them nearer civilization.

The second phase of the scheme covered the re-grouping of villages on the Tripura, Pakistan and Burma borders of the district. It also incorporated areas adjacent to the Selling-Champhai, Lungleh-Demagiri and Lungleh-Lawangtlai roads besides some portions of the eastern part of the district.

The scheme covered a total population of 127,968 from 326 different villages and involved the movement of 54,838 people. There are altogether 57 group centres, each with an average population of 2,500. The re-grouping centres were selected keeping in view their accessibility, economic viability, availability of water, administrative feasibility and ability to provide protection from hostile action.

All the new group centres of PPVs (progressive protected villages, as they are called) have either a security outpost located near them or are within its easy reach. At places, police forces have also been stationed.

The Army was given six months to complete the re-grouping. It took immediate steps to ensure that the villagers would not be without the basic necessities of life in their new locations. A standardized ration scale was prepared and stocks were procured. Reserves had also to be built. The total requirement of supplies was over 5,000 tons. Of this, 95 per cent was air-dropped by giant AN-12 planes of the Air Force.

(**The Statesman,** Calcutta)

[Prev. ref. 7575:INI:T]

M. **Preventive Detention Act Lapses:** The Preventive Detention Act lapsed on December 31, 1969 as a result of the Central Home Ministry's decision not to go ahead with the proposal for its extension during the current session of Parliament.

The decision reflected the shift in the balance of power at the Centre as the present Government was obviously not sure of seeing the Act through in Parliament without the support of the Opposition parties. (All the major Opposition groups in Parliament were opposed to the Act.)

A decision to seek extension of the Act by three years had been taken by the Government only a fortnight earlier. All the States without exception were stated to have favoured extension of the Act for varying reasons.

The State Governments were later informed by the Central Home Ministry that an extension of the Act was not being sought by the Central Government and they should review their arrangements. It was pointed out that the States could take necessary steps by passing legislation similar to the Preventive Detention Act.

The Act was first introduced 20 years ago by the then Home Minister, Sardar Patel. It had been on the Statute Book ever since.

Till the end of September this year, 1,879 persons were detained under the Act. Besides Assam, where 891 Mizos were detained under the Act, 660 persons were kept in detention in West Bengal. In Andhra Pradesh 123 persons and 79 in Manipur were detained under the Act. Under the Central Government's authority 274 persons, largely in Nagaland, were detained.

Both in Assam and West Bengal, detention orders were issued under Security and Public Order clauses of the Act. Of the 660 persons detained in West Bengal, 47 were detained in the interest of maintaining essential supplies to the community.

While most of the State Governments wanted extension of the Act from three to five years, the Kerala Government favoured extension for a period of one year only.

The United Front Government in West Bengal, in its last letter on the subject to the Home Ministry in September this year, had wanted the Act to continue as it strengthened the hand of the Government to deal with anti-social elements and blackmarketeers.

The Andhra Government had pointed out that it would be difficult for the State Government to deal with the Naxalite movement which held out a threat not only to law and order but also to the security of the country.

(**The Times of India**, New Delhi)

[Prev. ref. 7435:INI:M]

N. **Activities Of Extremists In States:** The Central Minister of State for Home, Mr. V. C. Shukla, placed a statement in the Rajya Sabha on November 26, 1969 about the extremists' activities in various States.

Andhra Pradesh: The extremists were operating mostly in Srikakulam, Visakhapatnam, Krishna, Guntur, Khammam, Karimnagar, Warangal and Nalgonda districts. Since they had not started any regular enrolment of members, their number was not known.

Assam: The extremists' activities were continued in circulation of posters and leaflets preaching their ideology in Goalpara, Kamrup, Darrag, Nowgong, Sibsagar, Lakhimpur and Cachar districts. About 128 persons were suspected to be concerned with extremists' activities.

Bihar: The extremists had been found to be active in Muzaffarpur, Darbhanga, Champaran, Monghyr, Bhagalpur, Purnea, Saharsa, Shahabad, Ranchi and Singhbhum districts. Their number was estimated to be about 800.

Tamil Nadu: The number of extremists in the State was estimated to be about 1,000. The names of the districts in which their activities had come to notice were being ascertained.

Maharashtra: There were only about 25 extremists in Bombay city, but they were not reported to be active.

Orissa: The extremists were active in Koraput and Ganjam districts, and their number was estimated to be about 200.

Punjab and UP: The number of extremists in the States was not known and the names of the districts in which they were active were being ascertained.

West Bengal: The extremists were active in Darjeeling, Jalpaiguri, Nadia, 24-Parganas, Hooghly, Burdwan, Birbhum, Purulia and Midnapore districts and Calcutta. Their number was not known.

Some propaganda activities of extremists had come to notice in Andaman and Nicobar Islands. In the remaining Union Territories and in Gujarat, Haryana, Madhya Pradesh, Mysore, Nagaland and Rajasthan no extremist activities had come to notice.

Mr. Shukla said that according to information received from the State Governments, the extremists had, of late, stepped up their activities in some portions of Purulia, Birbhum, 24-Parganas, Nadia, Jalpaiguri, West Dinajpur, Darjeeling and Midnapur districts. In Midnapur district their activities were confined to the areas of police stations of Gopiballavpur and Debra, where they had committed murder of some **jotedars** and had looted their properties.

He added: "It has been reported by the State Government that about 130 persons have so far been arrested in connexion with the specific cases arising out of the incidents created by the extremists. All precautionary measures have been taken and strict vigilance is being maintained over the activities of the extremists."

(**The Times of India,** New Delhi)

[Prev. ref. 8770:INI:O, 8970:INI:D]

O. Mr. Ajoy Mukherji On Law And Order In West Bengal: The Chief Minister of West Bengal, Mr. Ajoy Mukherji stated at a news conference in Calcutta on November 10, 1969 that the law and order situation in the State had not improved.

He made the observation when a reporter drew his attention to the previous day's "inter-party" clash in Burdwan in which three persons were killed. A Home Department official said later that the Burdwan incident was not of a political nature.

Asked whether his observation on the law and order situation was not tantamount to indictment of his own Government, Mr. Mukherji said: "You may think so. But a fact is a fact."

To a question whether he did not have a special responsibility in regard to the law and order situation, he said it should be tackled jointly by all the parties of the United Front. "The Chief Minister is not a dictator".

He had been told that in some areas forcible "collection" of paddy had become a practice and the people in those places had become panicky. He said there should be security of life and of "legally owned" property. Murder of any one, irrespective of whether he was a **jotedar** or a peasant, should be condemned.

"The State must protect the life and property of people, but unfortunately it is not being done in West Bengal. There is no precedent for this state of affairs in the civilized world. "Not to speak of improvement in the law and order situation, murders, violent clashes, looting, **gherao** and forcible occupation of land have become the order of the day in West Bengal. There is no denying the fact that people, particularly in rural areas, have become panicky and in many places a sense of insecurity of life and property has gripped the population."

(**The Statesman,** Calcutta)

[Prev. ref. 9243:INI:J]

P. Orissa Ministry Re-shuffled: The Orissa Coalition Ministry was re-shuffled in Bhuvaneshwar on November 17, 1969 with the swearing-in of three Adivasi Deputy Ministers as Cabinet Ministers and a new Adivasi Deputy Minister.

The promoted Deputy Ministers were Mr. Gangadharan Pradhan and Mr. Kartick Chandra Majhi of the Swatantra Party and Mr. Monmohan Tudu of the Jana Congress wing. The new Deputy Minister was Mr. Dambaru Majhi (Swa).

While the strength of the Council of Ministers remained unchanged at 19, the number of Cabinet rank Ministers increased from 12 to 14. The Adivasi and Harijan members now number seven in the Ministry—five Ministers and two Deputy Ministers. Their increased number in the Cabinet was intended to meet their demand for "proportional" representation on the basis of their strength of 40 in the ruling coalition of 73 members.

The elevation of the three Deputy Ministers, who belong to Sundargarh and Mayurbhan districts, was seen as a move to counteract the Jharkhand movement which had been gaining ground there.

Another Re-shuffle:

The Orissa Chief Minister, Mr. R. N. Singh Deo, announced in Bhuvaneshwar on November 24, 1969 the second re-shuffle of portfolios in eight days among the members of his Cabinet.

Mr. Mon Mohan Tudu (Jana Congress), who was the Minister without Portfolio since his elevation to Cabinet rank on November 17, was entrusted with the Tribal and Rural Welfare Department, earlier held by Mr. Santanu Kumar Das of the same party.

Mr. Das retained the Excise Department. In addition he took over administration of new capital and river valley development branches of the Political and Services Department from the Jana Congress Deputy Chief Minister, Mr. Pabitra Mohan Pradhan and registration branch of the Revenue Department from Mr. Surendranath Patnaik.

The Deputy Chief Minister, Mr. Pradhan held the portfolios of Political and Services (excluding administration of new capital and river valley development), Mining and Geology.

Mr. Surendranath Patnaik (Jana Congress) retained the Departments of Revenue (excluding registration) and Irrigation and Power.

(**The Times of India,** New Delhi)

[Prev. ref. 7918:INI:J]

Q. Donations To Political Parties: A statement was placed in the Rajya Sabha on November 17, 1969 by the Industrial Development Minister, Mr. Fakhruddin Ali Ahmed, listing donations to political parties by the commercial and industrial firms of six business groups from 1962-63 to 1967-68.

According to this statement, the Congress Party received the highest donations from these groups, the Swatantra the second highest and the Jana Sangh occupied the third position during these years.

In 1967-68, the Birla group donated Rs. 16,45,000 to the Congress, Rs. 651 to the Hindu Mahasabha, Rs. 21,552 to the Jana Sangh, Rs. 53 to the Communist Party, Rs. 1,500 to the P-SP, Rs. 1,001 to the BKD and Rs. 151 to the Janta Party;

Tata donated Rs. 5,40,000 to the Congress and Rs. 2,50,000 to the Swatantra;

J. K. Singhania: Rs. 67,500 to the Congress and Rs. 10,000 to the Swatantra;

Kirloskar: Rs. 1,02,000 to the Congress, Rs. 3,75,000 to the Swatantra and Rs. 11,000 to the Jana Sangh;

Goenka: Rs. 25,000 to the Congress;

Sahu Jain: Rs. 5,88,000 to the Congress.

(**The Times of India**, New Delhi)

[Prev. ref. 8993:INI:G]

R. LIC Business During 1968-69: The Life Insurance Corporation (LIC) completed a record business of Rs. 929.35 crores in 1968-69 as against Rs. 844.47 crores in the preceding year.

According to the annual report of the LIC, released in New Delhi on November 10, 1969, about 9,93,000 policies, comprising 68.5 per cent of the total number of policies issued in India and assuring Rs. 547.64 crores (59.5 per cent of the total new sum assured in India), were sold to persons insuring for the first time. More than 81.3 per cent of the new policies sold in rural areas were to persons who bought insurance for the first time and the percentage for urban areas was 62.1 per cent.

The average sum assured per policy during the year increased to Rs. 6,390 as against Rs. 5,913 in the previous year. About 74 per cent of the new policies were issued for sums between Rs. 1,000 and Rs. 5,000. This indicated the spread of life insurance to people who needed it most.

The total business in force as on March 31, 1969 was Rs. 5,718 crores under 134,35,000 policies against Rs. 5,240 crores under 127,59,000 policies as on March 31, 1968.

The premium income went up to Rs. 234.78 crores from Rs. 213.01 crores in the previous year. The income from interest on loans, dividends and rents from properties from investments in respect of life business was Rs. 77.93 crores as against Rs. 68.21 crores during the previous year.

The life fund at the end of the year amounted to Rs. 1,434.47 crores as against Rs. 1,260.66 crores in the previous year. Total assets as on March 31, 1969 amounted to Rs. 1,577.33 crores as against Rs. 1,400.01 crores in the preceding year.

(**The Times of India**, New Delhi)

[Prev. ref. 8067:INI:J]

S. Remuneration For Company Directors Reduced: The Government on November 14, 1969 reduced by nearly a third the maximum remuneration payable to company directors and managers from Rs. 1,80,000 to Rs. 1,35,000 a year.

The revised guidelines, announced by the Company Law Department, fixed the salary ceiling for directors and managers at Rs. 90,000 a year. In addition, they were allowed a commission of the net profits up to one per cent, subject to a maximum of Rs. 45,000. So far, company directors and managers were allowed a maximum remuneration of Rs. 1,80,000.

As regards perquisites, there was no overall ceiling on their value except on certain individual items like housing and medical benefits. The Government had now decided that in future all perquisites should not exceed a third of the salary or Rs. 30,000 a year.

All these ceilings were, however, subject to exceptions and in deserving cases the Government might allow higher remunerations to be paid.

As regards multiple directorship, the Government made it clear that a person who was already a whole-time director in one company would not be approved as a paid director in another company.

In the case of managers, however, an exception might be made in cases where the two companies were small or engaged in more or less similar or allied business, but the remuneration approved for the appointment in the second company would be regulated suitably.

(**The Times of India**, New Delhi)

[Prev. ref. 7307:INI:D]

T. Bombay Port Pilots' Strike: Pilots and dock-masters of the Bombay Port Trust resumed work on November 13, 1969 ending their strike which had paralysed ships' movements in the harbour for eight days.

They called off the strike following an agreement that the Port Trust would re-open the pilots' control room and that they, on their part, would resume work on the turn system on a continuous roster.

They may, according to the agreement, alternatively divide themselves into two groups and maintain 24 hours' working of the port by operating on "24 hours on and 24 hours off" working system, from the control of the Deputy Conservator or Harbour Master.

During the strike, 28 ships, including a foodgrain vessel and four fertilizer ships, had been tied down in the stream, waiting to be piloted into berths.

(**The Times of India**, Bombay)

U. Sant Fateh Singh To Commit Self-Immolation: The Akali Dal President, Sant Fateh Singh announced in Amritsar on November 24, 1969 that he would commit self-immolation on February 1, 1970 if Chandigarh was not merged with Punjab by January 26.

In a statement, he said he would begin a six-day fast on January 26. If he was still alive on February 1, he would immolate himself.

He also announced his resignation of the convenorship of the all-party action committee on Chandigarh. "With great difficulty I have succeeded in maintaining Hindu-Sikh unity in the State. I want them to live together for ever."

When the Sant had gone on a fast to be followed by self-immolation three years ago, some others had also joined him in the fast and declared their intention to burn themselves to death at the **agnikunds** constructed at the Golden Temple.

The same night (November 24), the Working Committee of the Akali Dal appealed to Sant Fateh Singh to give more time to the Central Government for solving the Chandigarh issue and not to take the hard line of making the supreme sacrifice.

(**The Times of India**, New Delhi)

[Prev. ref. 7458:INI:B, 9270:INI:D]

V. Andhra Cyclone Havoc: A severe cyclonic storm hit several districts of Andhra Pradesh on November 7, 1969 taking a heavy toll of life and property.

In Krishna district the cyclone, which was accompanied by heavy rain, caused heavy floods, and many persons lost their lives in Kaikulu **taluk** due to the sudden rise in the level of the Kolleru Lake. Forty-eight persons were reported to have died and 13 were missing. Crops were badly damaged and thousands of thatched houses collapsed.

In West Godavari district, 41 persons lost their lives. Heavy damage was caused to crops, and communications were disrupted. In East Godavari district, the death toll was 51. All low-lying areas were submerged. Many huts, farms and parts of Kakinada town were under water. There was heavy loss to crops and property. Road traffic was disrupted, as were electricity and telephone and telegraph lines. Four deaths were reported from Khammam district.

Pending assessment of damage and relief measures, Rs. 50,00,000 was sanctioned by the Government and placed at the disposal of the Board of Revenue for distribution among the affected people.

(**The Hindu,** Madras)

[Prev. ref. 7990:INI:N]

W. Jawaharlal Nehru University Inaugurated: Inaugurating Jawaharlal Nehru University in New Delhi on November 14, 1969, the President, Mr. V. V. Giri, stressed the need for devising courses which would help to make students self-reliant.

He said the problem had been sharply focussed by the large number of educated unemployed. Expert bodies such as Jawaharlal Nehru University should take up the task of orienting the university courses to practical needs.

After the formal inauguration, 22 students received the degree of B.A. (Hons.) in the Russian language at the first convocation of the University.

Mrs. Indira Gandhi, Chancellor of the University, presided. Among the other distinguished persons who attended were Khan Abdul Ghaffar Khan, the Vice-President, Mr. G. S. Pathak, Mr. M. C. Chagla and Mr. Buckminster Fuller. Miss Dorothy Woodman presented to the University the library of the late Mr. Kingsley Martin along with an advance copy of her book on the Himalayas.

In her convocation address, Mrs. Gandhi said that her father, Mr. Nehru was a maker of modern India. The University, she hoped, would serve as a milestone in development of higher education.

She said that education was not merely accumulation of knowledge but a means to stimulate the capacity to think, to evolve and to emulate. Centres like Jawaharlal Nehru University should try to create a climate conducive to social change. "We must all join together to promote a new humanism and the intelligentsia which should identify itself with the process of change."

The Vice-Chancellor of the University, Mr. G. Parthasarthy, said: "Our approach is to evolve policies and programmes which will make Jawaharlal Nehru University a net addition to the national resources in higher education in kind rather than a mere expansion of facilities which already exist."

He said the University would develop programmes of close and intimate collaboration with outstanding institutions of higher education and research in Delhi and outside.

The University would begin its programmes at the higher research level and then introduce at an appropriate stage post-graduate teaching, particularly in the courses that had inter-disciplinary approach. After the initial take-off period at its 1,000-acre campus in South Delhi, the University would undertake programmes for development in other parts of the country. He said that the North-East Frontier region was very near to the heart of the late Mr. Jawaharlal Nehru and he wanted much to be done for this region. The University was also considering the possibility of recognizing defence training institutions spread all over the country.

(**The Times of India,** New Delhi)

[Prev ref. 5929:INI:H]

X. "Anand Bhavan" Donated To Jawaharlal Nehru Memorial Fund: The Prime Minister, Mrs. Indira Gandhi, on November 14, 1969 donated her house **Anand Bhavan,** in Allahabad, to the Jawaharlal Nehru Memorial Fund.

She said that she had taken this decision so that the **Bhavan** may be suitably used to keep alive the name of Mr. Jawaharlal Nehru "as a living memory of a man beckoning us to remain true to his beliefs which are so basic to the survival of this great country."

She added: "Jawaharlal Nehru loved beautiful things but had no attachment to possessions. However, he did have a special feeling for **Anand Bhavan** which he described in these words: 'Far more than structure of bricks and concrete, more than a private possession.' It is connected intimately with our national struggle for freedom and within its four walls great things have happened and great decisions have been reached.

"So **Anand Bhavan** is not just a building but a symbol of our fight for freedom for which many members of our family had struggled, suffered and sacrificed. For me also, memories of the house are not of family life but of the days of jail-going, police searches, confiscation of goods and, above all, the constant flow of people of all sections and from all parts of India. Thus **Anand Bhavan** became a part of our history, and people still flock to it in large numbers.

"My father left the house to me, but it is appropriate that I should not keep it as my private property. I have, therefore, decided to gift it to the Jawaharlal Nehru Memorial Fund, so that it may be suitably used to keep alive the name of Jawaharlal Nehru, not as a bit of history frozen into brick and mortar, but as a living memory of a man beckoning us to remain true to his beliefs which are so basic to the survival of our great country.

"It joins the original **Anand Bhavan** donated by my grandfather to the Congress in 1930 and since then known as **Swaraj Bhavan.** For many years, **Swaraj Bhavan** served as the office of the Indian National Congress. But since Partition, it is a home for children."

(**The Times of India,** New Delhi)

[Prev. ref. 6801:INI:E]

Y. Dr. P. V. Cherian Dead–Acting Governor Of Maharashtra Appointed: The Governor of Maharashtra, Dr. P. V. Cherian died after a heart attack in Bombay on November 8, 1969.

A seven-day State mourning was declared in Maharashtra. Flags on all Central and State Government buildings flew at half-mast during this period.

The body was laid to rest at the Sewri cemetery in central Bombay after services at Christ Church in Bycullah on November 10, 1969.

The Chief Justice of Bombay, Mr. S. P. Kotwal, was sworn-in as acting Governor of Maharashtra on November 9, 1969.

(**The Times of India,** Bombay)

[Prev. ref. 6179:INI:Q]

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INDIA

SUMMARY: Mr. S. Ramgoolam's Visit; Trade With Yugoslavia; Chinese Air Base In Chumbi Valley; Plans For Naval Academy; Meghalaya Approved; Land Reforms In Kerala, UP And Mysore; Steel Prices Raised; Congress (Old) Resolutions.

A. Mr. S. Ramgoolam's Visit: Mr. Seewoosagar Ramgoolam, Prime Minister of Mauritius, arrived in India on December 10, 1969 and was received at the airport, among others, by the Prime Minister of India, Mrs. Indira Gandhi, and the Minister for Foreign Affairs, Mr. Dinesh Singh. Soon after his arrival, after a courtesy call on the President of India, the two Prime Ministers surveyed a wide range of world issues of mutual interest to their respective countries. They discussed **inter alia** security problems in respect of the Soviet Union's interest in bases in Mauritius.

The Foreign Minister of Mauritius, Mr. C. Duval, exchanged ideas with Mr. Dinesh Singh on questions pertaining to bilateral relations between the two countries and security problems in the Indian Ocean areas. Mr. Dinesh Singh informed Mr. Duval that Indian businessmen would be able to set up industries in Mauritius on the basis of minority participation of the Indian party. There was detailed discussion on the two proposed projects, the establishment of a fertilizer plant in Mauritius with Indian assistance and the expertise of Air-India to help set up Mauritius' own air lines corporation. India's help was also sought to modernize the Fort Luis airport and to raise it to international standards. It was, however, made clear that India was prepared to export 'know-how' and machinery but not capital.

At a dinner hosted by Mrs. Gandhi the same evening (December 10, 1969), the two Prime Ministers re-affirmed their determination to evolve in their respective countries a multi-racial and multi-religious society on the basis of equality.

Discussions between the two Prime Ministers were continued on December 12, 1969. Both sides agreed that the Indian Ocean should be a nuclear-weapon-free area. India also agreed to set up an Institute of Indian Studies, Culture and Traditions in Mauritius and to provide co-operation in various economic and industrial projects. Mr. S. Ramgoolam informed Mrs. Indira Gandhi that the island leaders had agreed on a government of national unity to concentrate on development aspects.

Mr. Ramgoolam was awarded the degree of Doctor of Laws (**honoris causa**) by the Delhi University on December 12, 1969.

In a joint **communique** issued at the conclusion of their talks the two Prime Ministers re-iterated that the "Indian Ocean should be kept a nuclear weapon-free area", and expressed deep disappointment at the continuation of tension in West Asia, urging speedy implementation of the Security Council resolution of November 22, 1967. They emphasized the need for greater economic co-operation amongst the developing countries and particularly between the countries of Asia and Africa.

They re-iterated that the arrangements agreed to in UNCTAD-II for development of developing countries should be implemented without further delay.

They stressed the importance of peaceful co-existence between States with different social systems, respect for sovereignty and settlement of all differences peacefully without resort to use of force.

They considered it necessary for the world community to reach an early settlement on general and complete disarmament.

Mr. Ramgoolam and party left for Mauritius on December 16.

[Dr. S. Ramgoolam had last visited India on December 12, 1967, a few months before Mauritius attained Independence on March 12, 1968 (see page 8110). He had then said that he had reasons to expect "as much help as possible" from India with whom Mauritius had close cultural, religious and linguistic ties and had expressed satisfaction with the "very encouraging talks" he had had then with Indian leaders.]

(**The Times of India**, Bombay and New Delhi and **The Statesman**, Calcutta)

[Prev. ref. 8110:INI:C]

B. Trade With Yugoslavia—New Agreement: The meeting of the Yugoslav-India Committee for Economic Co-operation ended in Belgrade on December 31, 1969 with the signing of an Agreement between the Foreign Trade Minister, Mr. B. R. Bhagat and Mr. Miran Mejak, member of Yugoslavia's Federal Government.

A **communique** said that it was expected that trade between the two countries would reach the amount of $66 million in 1970, with considerable increase of Indian exports.

India will export, besides traditional goods, new products like jeeps, commercial vehicles, and consumer plastic goods.

Yugoslav exports will include tractors, printing equipments and agricultural light airplanes.

Rupee Payment Arrangement With Yugoslavia Extended:

It was announced in New Delhi on January 8 that India and Yugoslavia had agreed to continue the present rupee payment arrangement for their trade exchange till the end of March, 1972.

The Agreement to extend the existing payment arrangement by two years was reached during the Foreign Trade Minister, Mr. B. R. Bhagat's visit to Belgrade in the last week of December, 1969.

(**The Statesman**, New Delhi)

[Prev. ref. 9118:INI:I]

C. Five Loan Agreements With West Germany: West Germany formally committed assistance amounting to DM265 million (Rs. 54.30 crores) to India during 1969-70 with the signing of five Loan Agreements at Frankfurt recently.

Of these five Agreements, signed by Mr. Khub Chand, India's Ambassador, with the Development Bank through which West German assistance to India is made available, two Agreements for a total of

DM69 million related to balances from the aid promises of previous years.

Two other Agreements of DM99 million (Rs. 20.29 crores) for the purchase of goods and services and DM62 million (Rs. 12.7 crores) for refinancing payment of principal amounts due during 1969-70 in respect of certain earlier German credits were in partial implementation of the overall Economic Assistance Agreement for 1969-70 signed in July, 1969 at the end of the visit of the West Germany official delegation headed by Mr. E. Elson.

(**The Statesman**, New Delhi)

[Prev. ref. 8982:INI:G]

D. Chinese Air Base Extended In Chumbi Valley: According to Army sources in Shillong on January 2, the Chinese had extended their air base at Phari Dzong in the *Chumbi valley that cuts Sikkim from Bhutan, north of the India-Tibet border to receive logistic support.*

Phari Dzong is situated on the old India-Bhutan route **via** *Sikkim at an altitude of 14,300 feet, about five km from the Indian border as the crow flies.*

The extension of the base, according to these sources, was a strategically important step by China to improve communications and logistics on its border with India. It brought the sensitive north-east Indian targets within reach of Chinese aircraft.

The Chinese had also built a motorable road in this Tibetan plateau within close range of Bum La, India's northernmost outpost in Kameng district of N-EFA.

Another jeepable road now linked the Tibetan capital of Lhasa with Khinse Mane, the first Indian outpost that fell to the Chinese during the 1962 aggression. It was located near the India-Tibet-Bhutan border tri-junction.

(**The Statesman,** Calcutta)

[Prev. ref. 7413:INI:D, 9067:INI:D]

E. Plans For Naval Academy: The Chief of the Naval Staff, Admiral A. K. Chatterji, stated in Madras on December 7, 1969 that a Naval Academy would start functioning from January 1, 1970. It would be temporarily at Cochin, but would be shifted to a permanent site later.

He said that the Navy would be acquiring more submarines in years to come. The first Indian-built **Leander**-class frigate, under construction at Mazagaon, would be commissioned in 1971. Thereafter one frigate would be built every year.

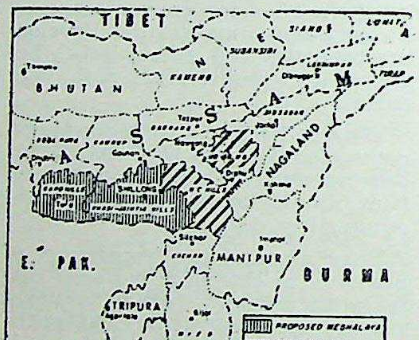
Apart from frigates, sea-way defence boats (SDB) were being built indigenously. Work on the south breakwater in Bombay was progressing "very well", and was six months ahead of schedule. An advance naval base was also under construction at Port Blair.

(**The Statesman,** Calcutta and **The Hindu,** Madras)

[Prev. ref. 8746:INI:W]

F. Meghalaya Autonomous State Within Assam Approved By Parliament: On December 24, 1969, Parliament set its seal of approval on the formation of an autonomous State called Meghalaya—comprising three hill districts—within the State of Assam.

Parliamentary history was made when the Assam Re-organization Bill was taken up and passed by the Rajya Sabha, suspending certain rules of procedure, within three hours of its adoption in the Lok Sabha. Never before had a Bill been passed in both Houses the same day. This unprecedented move underlined the support for the Bill from all sections of the House.



The Lok Sabha had earlier rejected all amendments except one moved by the Home Minister, Mr. Y. B. Chavan, which was of minor consequence. Mr. Chavan said the House should appreciate the eagerness and anxiety with which the people of the hill areas were awaiting the formation of the State.

Replying to an amendment moved by a member that there was no need for setting up of a provisional Assembly, Mr. Chavan said, provision had been made in the Bill for the constitution of a provisional Legislative Assembly for Meghalaya pending General Elections to the Assembly. If the amendment were to be accepted, formation of the State would be delayed till the General Election.

Referring to the demand of some members that North Cachar and Mikir Hills should also be given similar autonomy, Mr. Chavan said provision had been made for those areas to join Meghalaya. If for any reason they preferred not to join, they would continue as parts of Assam.

The House then passed all the 77 clauses and four Schedules without much discussion.

Facts And Figures:

The area of United Mikir and North Cachar Hills district, comprising the two sub-divisions of Mikir and North Cachar Hills, is 583 square miles out of the total area of the 2,732 square miles of 34 autonomous hills districts of Assam. The total population of this district, according to the 1961 census, is 2,80,000 as against the total population of 13,13,000 for the hill districts.

The Mikir Hills sub-division is predominently inhabited by the Mikir tribes and the North Cachar Hills by Dimasa Kacharis. The Mikir Hills sub-division comprises an area of 4,000 square miles.

The highest peak in Mikir Hills sub-division is the Singhsani with a height of 4,499 feet and in North Cachar sub-division the Jhingtubum with a height of 6,128 feet.

The area has not been mapped in detail and the economic value of its mineral resources is still not precisely known. Sporadic occurrence of minerals like coal and limestone has been reported. The Mikir Hills sub-division has potentialities in coal resources. Koilajan and Disobai are two of its existing collieries.

A kind of peacock is found in the region covering Frikjindeng in Mikir Hills and in and around the Garampani area of the North Cachar Hills. Imperial pigeons and green pigeons were available in abundance in the region, but these birds are becoming rarer owing to indiscriminate shooting by shikaris.

The climatic conditions are such that the region is ideally suited for the propagation of varied types of animal population, but much of the fauna still remains unexplored.

(**The Times of India,** New Delhi and **The Statesman,** Calcutta)

[Prev. ref. 8957:INI:F, 9135:INI:J]

G. Right To Property—Law Ministry's View: The Law Ministry, in a recent note giving its views on certain constitutional amendments proposed by West Bengal for speedier and effective implementation of land laws, has brought to the notice of the Government of India that the Chapter on Fundamental Rights in the Constitution, which includes the right to property, cannot be amended by Parliament in view of the judgment given by the Supreme Court in 1967 in the well-known Gokalnath case.

The Law Ministry has stated that in the Gokalnath case, the Supreme Court had held that Parliament had "no power to amend Part III of the Constitution so as to take away or abridge the Fundamental Rights enshrined in the Constitution."

In the light of this judgment, legal circles expressed surprise at the suggestion made by the Prime Minister, Mrs. Indira Gandhi, at the Bombay session of the Requisitionists Congress on December 27, 1969 that the laws in regard to property rights must be changed, though they have not failed to note that the Central Home Minister, Mr. Y. B. Chavan, had recognized the legal limitation to any such action.

In regard to land reforms too, the Law Ministry note makes it appear that the States are shirking their responsibility by asking the Centre to bring forward constitutional amendments to place curbs on landlords. It is of the view that the States themselves could enact legislation to bring down land ceilings or fix compensation for lands in excess of the ceiling as such enactments would enjoy protection under Article 31A of the Constitution, which stipulates the conditions under which property could be acquired by the State.

It has also stated that there is no need to amend the Constitution to enable the States to implement land reforms more speedily or effectively.

The plea for constitutional amendments was made by the West Bengal Government in a communication to the Government of India in which it had suggested that provisions of the Constitution regarding ceilings in respect of family holdings should be amended.

(**The Statesman**, New Delhi)

[Prev. ref. 8730:INI:N]

H. Land Reforms In Kerala: A new era of hopefulness dawned for tenants, hutment dwellers and the landless of Kerala on January 1, when the Land Reforms (Amendment) Act came into force. By it, landlordism will end in the State once and for all. Tenants will become owners with full ownership rights over their land. The monopoly enjoyed by a few big landlords over cultivated land will be broken. The surplus land above the ceiling will be distributed to the landless.

The Revenue Minister, Mr. K. T. Jacob, said in Trivandrum on December 30, 1969 that all the provisions of the amended Act would come into force from January 1.

The right of landlords to collect rent from their tenants would cease and that right would vest with the Government. The landlord-tenant relationship would thus end.

The Government would pay compensatoin to landlords dispossessed of their rights and realize the same from the tenants. Hutment dwellers would become owners of their dwellings by exercising their right to purchase them.

The Kerala Chief Minister, Mr. Achutha Menon, said that the State Government had urged the Centre to include the Kerala Land Reforms (Amendment) Act in the Ninth Schedule of the Constitution so that it might get the same protection as the original Act.

Notice To Land-owners Issued:

On January 1, the Kerala Government gave 90 days' notice to land-owners to inform the Land Board about their surplus possessions.

The announcement followed the enforcement of all provisions of the Land Reforms Act. It means that various classes of landlords, tenants and intermediaries have ceased to exist in the agrarian sector.

Although this is true legally, it may take the Government some more time to implement all the provisions.

The provisions concerning ceiling on holdings are as follows:

(1) An adult unmarried person can hold land up to five standard acres so that the actual area under his possession shall not be less than six acres and not more than 7½ acres;

(2) A five-member family can own ten standard acres which should not be less than 12 acres and not more than 15 acres;

(3) For families with more than five members, one additional standard acre is allowed for each member in excess of the five members, but the total ceiling area shall not be more than 20 acres and not less than 12 acres;

(4) In the case of any person other than a joint family the ceiling area shall be ten standard acres which can be 12 acres minimum and 15 acres in extent.

The standard acre differs from place to place in the State depending on productivity and the nature of the land—dry or wet.

Under the law, tenants have become legal owners of the land they till. However, the actual transfer of ownership rights will take some time. In the intervening period, the landlords will not get any rent from the tenants.

All rights of landlords and intermediaries have been vested in the Government, but it does not prevent a landlord from applying for resumption of land under certain conditions.

(**The Hindu**, Madras)

[Prev. ref. 8794:INI:K]

I. Land Revenue Ordinance In UP: The Uttar Pradesh Government issued an Ordinance on January 1 exempting holdings up to 6.25 acres from land revenue.

The Ordinance also envisages fresh settlement for other holdings and says that land settlement would now be held after every 20 years instead of 40 years.

This goes against the guarantee given under the Zamindari Abolition and Land Reforms Act of 1952 —that revenue would not be raised for 40 years—that is, up to 1992.

The Ordinance called the UP Zamindari Abolition and Land Reforms (Second Amendment) Ordinnance, provides that every member of a family, the total area of land held by whose members as 'bhumidars' or 'sirdhars' at the commencement of any agricultural year does not exceed 6 1/4 acres, shall be exempt in that year from liability to pay land revenue. This exemption shall, during the agricultural year commencing on July 1, 1969, apply in respect of only the rabi instalment of land revenue.

According to it, the share of an individual or any member of his family in a holding shall, for purposes of deciding whether he is entitled to this exemption, be determined in such manner and by such authority as may be prescribed, but no such determination shall be binding on any court or tribunal in any suit or other proceeding relating to the holding.

It has been explained in the Ordinance that a "family consists of any individual, his or her spouse, and minor sons and unmarried daughters, whether they are joint or not with the individual, and major sons if they are joint with that individual."

The Ordinance does not indicate how the State Government proposes to meet the loss in revenue of Rs. 11 crores annually, arising out of the exemption.

The Jana Sangh and SSP have welcomed the Ordinance.

(**National Herald**, Lucknow)

[Prev. ref. 8028:INI:G, 8794:INI:K]

J. Mysore Land Reforms Ordinance: The Mysore Governor promulgated on January 6 the Mysore Land Reforms (Amendment) Ordinance 1970 "for the speedy implementation of Land Reforms Act."

Under the Ordinance, which came into force from January 15, munsiff courts were empowered to deal with cases filed before land tribunals.

The land tribunals had found it difficult to dispose of expeditiously cases filed before them, which number several thousand. The land reforms cases, now pending with the land tribunals, would stand transferred to the munsif courts of the area to which the cases pertain, after January 15.

The Ordinance empowered the courts to decide all cases—"whether a person is a tenant or not."

Land measurements, now in acres and guntas, would be given in metric measurement under the Ordinance.

(**The Hindu**, Madras)

[Prev. ref. 7389:INI:H]

K. Steel Prices Raised: The Government of India decided on December 30, 1969 to allow an average increase of Rs. 75 per tonne in the price of steel with effect from January 1. The Joint Plant Committee has been authorized to notify the revised prices of various categories of steel as from this date.

In addition to an average increase of Rs. 75 per tonne, the Government also decided to allow a further average increase of Rs. 2.50 per tonne for contribution to the Engineering Goods Export Assistance Fund. The total average increase would, therefore, be Rs. 77.50 per tonne.

The price increase agreed to by the Government, however, fell short of the demand made by the main producers in May, 1969. While Tatas had sought an increase of Rs. 116 per tonne, Hindustan Steel wanted Rs. 88.50 per tonne. The other producer, Indian Iron and Steel Company, had not specified any figure, but wanted a Tariff Commission study into the cost structure.

The last price increase was in July, 1968, when an average increase of Rs. 57 per tonne was allowed. A price increase was also allowed in May, 1967 (Rs. 53 per tonne) when steel was decontrolled, followed by a marginal increase again of Rs. 3 per tonne in January, 1968.

The present increase is not based on the capital block of Hindustan Steel but that of the private producers. From this point of view, HSL will still suffer from a disadvantage compared with the private producers.

Announcing the price increases, an official Press Note said that the Government "would like to point out that the relevant escalation factors having been provided for, there should ordinarily be no occasion for any further price increase in the next five years". This seemed to suggest that the Government would like to freeze steel prices for another five years, but how far it will succeed remains to be seen.

(**The Statesman**, New Delhi)

[Prev. ref. 7697:INI:F]

L. Railwaymen's Federation Calls For A Railway Corporation: The Annual Convention of the All-India Railwaymen's Federation which met in Agra on December 30, 1969 called for "the re-organization of the Indian Railways into an autonomous Corporation", as this was essential if the Railways, which carried 70 per cent of the transport of the country, were "to play a vital role in the development of the national economy."

By another resolution, the Convention criticized the method of determining the wage structure and service conditions of Central Government employees by setting up **ad hoc** commissions instead of resolving industrial disputes pertaining to railway employees with the help of the industrial relations machinery.

It also adopted a resolution calling for the withdrawal of all means of automation, including computers, route relay machines and diesel and electric locomotives.

(**The Hindustan Times**, New Delhi)

M. Electrified Railway Mileage: The new Chairman of the Railway Board, Mr. B. C. Ganguli, said in New Delhi on January 7 that India now had the largest mileage, after France, of electrified railway.

Over 3,000 km of the Indian Railways tracks, he said, had been electrified at a cost of nearly Rs. 150 crores in the last ten years.

He expected electrification to be completed by June, 1970 of the Rourkela-Durg section of the South-Eastern Railway, by October, 1970 of the Kanpur-Tundla section of the Northern Railway, and by 1972-73 of the Virar-Sabarmati section of the Western Railway.

Nearly 24 per cent of the broad-guage traffic was now taken care of by electric traction which, he said, was the cheapest of the three types now in use. The comparative costs, he said, were: electric, Rs. 2.09 to Rs. 2.61 per km; steam, Rs. 4.12 to Rs. 4.54 per km; diesel, Rs. 5.44 to Rs. 6.03 per km.

He added that with the expertise developed in this field, India could now offer consultancy service in electric traction.

(**The Statesman**, New Delhi)

[Prev. ref. 8818:INI:D]

N. Old Congress Working Committee Resolutions: The Organization (Old) Congress Working Committee of Mr. S. Nijalingappa met in New Delhi on January 3 and 4 and passed several resolutions criticizing Mrs. Indira Gandhi for her "abortive" attempts to "topple" Mr. C. B. Gupta's Ministry in Uttar Pradesh and for undertaking frequent tours of that State without giving prior intimation to the Chief Minister.

Mr. C. B. Gupta, who acquainted the Working Committee with the political situation in his State, and several other members said that it was unfortunate that the Prime Minister whose main responsibility was to provide a stable administration in the country should herself "encourage or connive" at activities aimed at weakening democracy.

He disclosed that the UP Government had spent Rs. 40,00,000 during the last 15 months on security arrangements for the Prime Minister during her visits to the State. Since she had gone on a political mission and most of her time had been spent in meeting MLAs opposed to him, it was not fair on the part of the Prime Minister to impose such heavy financial strain on the State Government whose resources were extremely limited. The security arrangements for a day's visit by the Prime Minister cost the State exchequer about Rs. 1,00,000.

In another resolution, it criticized the ruling party for demanding, at its session in Bombay, nationalization of the sugar industry in UP and said: "Under no circumstances can nationalization be permitted to become a tool in the game of power politics of parties."

It said that the "deliberate" focussing of the demand on UP alone could have only one purpose, to pose difficulties, financial and legal, for the Gupta Ministry and exploit this issue for denigrating and unseating, if possible, that democratically functioning Government.

Expressing concern at the delay in the settlement of the Chandigarh issue, it also urged the Government of India to take a speedy decision to end the present stalemate as the delay in taking a decision on this question had created a difficult situation both in Punjab and Haryana.

On January 4, in another resolution on Economic and Social Policy, the Working Committee accorded the highest priority to eradication of unemployment in the country and called for immediate re-orientation of the Fourth Five-Year Plan to provide for greater employment opportunities, particularly to the educated unemployed.

It spelt out the programmes that should be undertaken without delay to fight the "growing menace of unemployment in the country." First, a crash programme of rural works should be launched throughout the country to provide gainful employment to all able-bodied men and women. They should be assured of at least Rs. 2 a day as wages. An initial outlay of Rs. 200 crores per annum has been suggested for the purpose. Secondly, a national employment corporation should be set up to operate a central fund of Rs. 50 crores to provide employment to the educated unemployed in industries. The fund should be administered in co-operation with the Industrial Development Corporations in the States. In both cases, the State Government under the Organization Congress should provide additional financial support.

The Working Committee also condemned the attitude of the Government of India to the formation of a "Congress-led" coalition Ministry in Bihar.

It charged the ruling Congress with using all "unfair and questionable means" to delay the formation of a popular Government in Bihar by Mr. Harihar Singh, leader of the Organization Congress Legislature Party.

It also appealed to the minorities, especially Muslims, not to "mistake their friends for their foes" and restrict the area of good-will available to them.

A resolution on the subject virtually charged the ruling Congress of deliberately misleading the minorities and creating suspicion and distrust among them about other political parties.

(**The Times of India** and **The Statesman**, New Delhi)

[Prev. ref. 9347:INI:A]

O. **CPM Politburo's Conditional Support To Mrs. I. Gandhi:** Extending "support to the Prime Minister, Mrs. Indira Gandhi, for every measure directed against the menace of Organization Congress," the CPI(M) Politburo which met in Calcutta on January 4 warned her against the dangers of her policy of "Marxist-baiting and disruption of the United Fronts in Kerala and West Bengal."

The Politburo statement on the current political development noted that the new Requisitionists Congress was engaged in "subtle" anti-communist manoeuvres, chiefly directed against the CPI(M) and "it is abetting and actively encouraging the division and disruption of the United Fronts in Kerala and West Bengal." This was being done, according to it, in pursuance of the political strategy of a new polarization of forces around the two Congress-centred alliances.

The Organization Congress, it said, representing the line of "extreme reactionary forces in the country," was interested in forging "a front of reaction and counter-revolution with the Jana Sangh and the Swatantra," while the new Requisitionsts Congress was trying to rally some political parties and break-away groups of the Congress to build up an opposition to the Organization Congress and its allies.

Against these two alliances, the CPI(M) would call for the formation of a "real democratic alliance" on the basis of ten "immediate steps" including nationalization of foreign banks and foreign trade, control on monopolists and extension of public sector, an employment-oriented Fourth Plan, abolition of privy purses, drastic reduction in the defence budget and tax burden on the people, genuine land reform measures, ceiling on urban property and on corporate profits, end of the policy of victimization of Central Government employees, full autonomy for States and a shift in foreign policy lending support to anti-imperialist struggles and ensuring firmer ties with socialist Governments.

It called for fresh elections in Kerala and charged the State Government with perpetuating "repression."

In a reference to Bengal, it expressed the view that the Bangla Congress was merely biding its time to join hands with the new Congress and form a mini-front Ministry.

(**The Statesman**, Calcutta)

[Prev. ref. 9301:INI:C]

P. **Mr. Jagjivan Ram's Tax Returns – Lok Sabha's Decision:** After a five-hour debate on December 24, 1969, the Lok Sabha rejected by 158 votes to 75 the demand for a Parliamentary Committee to investigate the failure of the Central Food Minister, Mr. Jagjivan Ram, to file his tax returns.

Mr. Jagivan Ram admitted his lapse but pleaded that he had no intention of evading taxes. He corroborated Mr. Morarji Desai's disclosure that he (Mr. Jagjivan Ram) had offered to resign when it was pointed out to him that he had failed to file tax returns for ten years. But, Mr. Jagjivan Ram said: "The next day, I found that Mr. Morarji Desai was taking political advantage of it."

The Prime Minister, Mrs. Indira Gandhi, commended Mr. Jagjivan Ram's defence of his case as one of "great dignity and restraint." She agreed that there had been great weaknesses in the tax collection system and the Government had no intention of going slow in dealing with that aspect of it. But, she asked, was not Mr. Jagjivan Ram entitled to what any ordinary citizen was entitled? She contended that the accusation against Mr. Jagjivan Ram was "politically motivated."

The demand for Mr. Jagjivan Rams' resignation came from several quarters. Mr. Morarji Desai said that Ministers must conform to law. If they did not, they must resign. If they did not resign, the Prime Minister must make them do so; otherwise, she would also be culpable. If Mr. Jagjivan Ram pleaded that he was ignorant of the law, "I have nothing more to say."

Others who urged that the Minister must gracefully admit his mistake and resign in the interest of the cleanliness of public life included Acharya J. B. Kripalani (Ind) and Mr. S. N. Dwivedi, leader of the P-SP group.

The CPI group gave solid support to the Government by arguing that the earlier Finance Ministers had shielded such lapses and tax evasions over the past many years and that if there was to be a committee of inquiry it should cover all other cases and not merely pick on one individual for political reasons. The DMK also adopted a similar line of trying to turn the tables on Mr. Morarji Desai and other former Ministers who had now gone over to the Opposition.

The Marxist group, on the other hand, welcomed the resolution moved by Mr. Mohammed Imam, which stated. "This House takes note of widespread criticism in the country regarding the failure on the part of the Central Food Minister, Mr. Jagjivan Ram, to file his income-tax returns and also the serious financial irregularities committed by various institutions with which the Central Food Minister is associated and resolves that a committee of members of Parliament be appointed to investigate these allegations and make a report to the House."

(**The Times of India,** New Delhi)

[Prev. ref. 9266:INI:B]

Q. Bangla Congress Satyagraha: The West Bengal Chief Minister, *Mr. Ajoy Mukherjee, led a 24-hour* fast by nearly 2,00,000 people all over West Bengal on December 28, 1969 in protest against continuing violence in the State.

Mr. Mukherjee began the fast along with his party General Secretary, Mr. Sushil Dhara, in Calcutta where he had undertaken a three-day fast when the Bangla Congress launched its indefinite relay fast on December 1, 1969 to "rouse public conscience against rampant violence in West Bengal."

The Praja-Socialist Party (P-SP), which is a constituent of the United Front, also supported the fast.

According to Mr. Dhara, about 20,000 P-SP supporters fasted on December 28, 1969 at 30 centres. They included dissident P-SP President, Mr. Bidyut Bose, a member of the State Cabinet.

Addressing a gathering, Mr. Ajoy Mukherjee said in Calcutta that the Bangla Congress would not work with the CPM if the latter did not give up hooliganism and dacoity.

Asking the people to make the CPM realize that they would not vote for the party in the Parliamentary election in 1972 or even earlier if it did not mend it ways, he said that if the people failed to control the CPM, the Bangla Congress would not remain with these "dacoits".

He added: "We are gentlemen, we cannot keep company with dacoits. If the United Front (UF) breaks as a result, we cannot help it. We want to preserve the UF, and even now if they behave, we are prepared to work with them. But we shall not work with dacoits".

Satyagraha Called Off:

The Bangla Congress Secretariat called off the month-long State-wide mass fasting satyagraha on January 1.

The decision was taken "unanimously."

The Secretariat resolution said that the Working Committee of the party would fix the date and time for launching the second phase of the movement. The Working Committee would also decide on the "form" of the second phase.

(**The Hindustan Standard,** Calcutta)

[Prev. ref. 9338:INI:C]

R. Swatantra Party Elections: Mr. M. R. Masani was unanimously elected President of the All-India Swatantra Party for two years on December 27, 1969.

The newly-elected General Council of the party which met in Calcutta also unanimously elected Dr. R. C. Cooper as General Secretary.

Other office-bearers elected were: Vice-Presidents: Mr. R. N. Singh Deo, Chief Minister of Orissa; Mr. M. Ruthnaswamy; Maharani Gayatri Devi;; Mr. N. Dandekar; and Mr. Dahyabhai V. Patel; Joint Secretaries: Dr. H. V. Hande, MLA (Madras); Mr. Harihar Patel, Orissa Industries Minister; Mr. M. K. Somani; Mr. R. K. Amin; and Mr. Madhu Mehta; Honorary Treasurers: Mr. H. P. Nanda and Mr. Lal Chand Hirachand.

Mr. M. R. Masani On Political Situation:

Addressing a closed-door meeting of the General Council of the Party, Mr. Masani said that 20 years of wrong economic policies had created a situation where political crises were bound to recur with increasing intensity "unless these policies are abandoned and the country is put on a proper track".

This called for a radical shift "in our political structure". This might flow from the recent split in the Congress Party, but the nation faced the danger of what he called "further abdication and destruction of law and order".

He added: "Bengal and certain other parts of our country are in the hands of elements whose patriotism is not above question and in the coming years guerrilla warfare developing into dangerous threats to our national security cannot be ruled out in Bengal and in the north-east frontier."

(**The Hindu,** Madras)

[Prev. ref. 8591:INI:D]

S. Southern Zonal Council Meeting: Addressing the 11th meeting of the Southern Zonal Council in Bangalore on January 6, the Central Home Minister, Mr. Y. B. Chavan, said that an all-out effort must be made to eliminate violence from public life in the country.

He said: "The strength and vitality of democratic institutions depend on a firm and unwavering adherence to the rule of law. Some of you may in this context feel the lapse of the Preventive Detention Act. But that should, in fact, spur us to take more effective action under substantive provisions of normal laws."

Making a rapid survey of progress made in the Southern Zone in various fields, he said, he felt happy that the region had been comparatively less affected by communal incidents.

Dealing with hydro-power resources in the region, he said these sources were estimated at eight million kW at 60 per cent load factor. Aggregate installed capacity in the region at present was 3.17 million kW which was expected to rise to 4.5 million kW by 1970-71 and 6.15 million kW by 1973-74. According to estimates of the fifth annual power survey it was anticipated that there would be a deficit in this region of about 400,000 kW by 1970-71 rising to about one million kW by 1973-74. An additional generation of 1.3 million kW had to be planned for execution immediately to meet the anticipated deficits during the Fourth Plan period.

He said that an atomic power station was already under construction in Kalpakkam in Tamil Nadu. According to present plans, a 200 mW unit would be commissioned in 1973-74.

Making pointed reference to irrigation projects in the South, he said he felt happy that the Chief Ministers of Kerala and Tamil Nadu and the Central Minister of Irrigation and Power had settled during their discussions in May, 1969 outstanding issues and disputes. He expressed confidence that problems of Cauvery basin would also be amicably settled by the Chief Ministers of Kerala, Mysore and

Tamil Nadu during their discussions in February, 1970.

During the discussions, it was pointed out that during the past few years police arrangements during general elections had been mounting. Some of the Chief Ministers were reported to have pleaded that the Government of India should share the expenses. Mr. Chavan replied that law and order was a State subject and the sharing of expenditure in this case did not arise.

However, the Council agreed that the question could be studied further in all its aspects.

(**The Hindu**, Madras)

[Prev. ref. 5861:INI:R]

T. Madhya Pradesh Assembly Session—Governor's Address: While inaugurating the Budget session of the Madhya Pradesh Legislative Assembly in Bhopal on January 7, the State Governor, Mr. K. C. Reddy, was interrupted several times by slogan-shouting demonstrators from the public galleries.

The Privileges Committee of the House met quickly, and on its recommendation, one of the demonstrators was jailed for the day. Five others were proposed to be sent to jail for three days each.

In his address, Mr. Reddy gave an account of the Government's achievements and targets, and revealed that due to differences with the Planning Commission the State's Fourth Five-Year Plan was yet to be finalized. He described the outlay of Rs. 383 crores as "unsatisfactory and inadequate"

He said that in 1969, the police killed 59 dacoits, arrested 195 and rescued 17 people held to ransom by the dacoits. In their intensified anti-dacoity operations the police liquidated an entire gang of 18 dacoits with its leader.

The State Government, he added, had earned a bonus of Rs. 2.7 crores from the Centre for its performance in procuring rice. It had procured more than 300,000 tonnes of rice to sell to other States till October, 1969. The bonus would be used in minor irrigation works and other agricultural production schemes.

(**The Statesman**, New Delhi)

[Prev. ref. 8888:INI:P]

U. Jammu & Kashmir Ministry—Portfolios Re-allocated: The Chief Minister of Jammu & Kashmir, Mr. G. M. Sadiq, re-allocated the portfolios of some Ministers of State and Deputy Ministers in the Cabinet on January 7.

Mr. A. G. Goni, Minister of State, was given Agriculture and National Extension Service, and Mr. Sonam Wangyal, Minister of State, would be in charge of Co-operation and Consolidation.

The following Deputy Ministers were put in charge of different portfolios:

Mr. Parmanand—Social Welfare; Mr. Mufti Mohammed Syed—Agriculture and Law; Mr. Gurmukh Singh—Information and Publicity; Mr. Mohammad-uddin Banday—Irrigation; and Chowdhury Mohammed Shafi—Animal Husbandry and Local Self-Government.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 7629:INI:A]

V. New Deputy Chairman Of Rajya Sabha: Following the death of Mrs. Violet Alva, Mr. B. D. Khobaragade was elected Deputy Chairman of the Rajya Sabha on December 17, 1969.

Mr. Khobaragade, a Republican member from Maharashtra, was sponsored by the ruling Congress party, DMK, CPI and the Muslim League. His opponent, Mr. Gaure Murahari—he got 60 votes to Mr. Khobaragade's 128—was supported by the Congress (Opp), P-SP, SSP, Jana Sangh, Swatantra and CPM.

This was the first time in the present session that the Marxists aligned themselves against Mrs. Gandhi. This was considered a significant development in the light of the growing differences between the two Communist parties over West Bengal happenings.

The total vote (188) was 49 short of the total strength of the Rajya Sabha, most of the abstentions being from Opposition benches. Particularly striking was the fact that only two out of 13 Swatantra members turned up to vote.

Mr. Khobaragade's total was made up of 96 votes from the ruling Congress, eight from CPI, four from DMK, two from Muslim League, and the rest from RSP, Forward Bloc, and Independent members. One BKD member also voted for him.

(**The Times of India**, New Delhi)

W. New Maharashtra Governor: It was officially announced in New Delhi on January 3 that Nawab Ali Yavar Jung, Indian Ambassador in USA, had been appointed as Governor of Maharashtra.

Nawab Ali Yavar Jung was expected to assume office about the middle of February.

(**The Times of India**, New Delhi)

[Prev. ref. 9308:INI:Y]

X. Air-India's Annual Report: According to an official review released in New Delhi on January 2, although Air-India carried more passengers in 1968-69, it earned less profit compared with the previous year. This was mainly accounted for by the increase in operating expenses by more than 10 per cent from Rs. 49.58 crores to Rs. 54.68 crores.

The total number of passengers carried rose by 16 per cent from 285,459 to 331,051. Operating revenue increased from Rs. 55.01 crores in 1967-68 to Rs. 59.50 crores in 1968-69. But net profit, before tax, declined to Rs. 2.94 crores from Rs. 3.49 crores in the previous year. The profit squeeze continued in the wake of further decline in average revenue yields, of rising costs and of heavy investments for the new Jumbo jets.

Pending the delivery of its Jumbo jets, Air-India's operations would remain substantially at the same level as in the current year as there was little margin of capacity for expansion. There would, however, be some marginal increases in the frequency of some routes and possibly the addition of a few new stops.

(**The Hindustan Times**, New Delhi)

[Prev. ref. 7090:INI:L, 8139:INI:X]

Y. International Film Festival: The fourth International Film Festival was inaugurated in New Delhi on December 5, 1969 by the President, Mr. V. V. Giri.

He reminded the film makers that they had a great social responsibility in making the film an instrument of public education. He said that they should create new norms and values.

Indian culture and civilization, he said, were known for their genius for fusing diversities into the mainstream. It was, therefore, proper that India should play host to an International Film Festival. The Festival aimed at telescoping the colourful variety of creative experience into a kaleidoscope. If this international event succeeded in projecting the many facets of contemporary cinema, it would have served its purpose.

He stressed the potentiality of films for propagating ideas for acceptance by society. Children's films were playing an increasingly important role in the education and upbringing of the young. He hoped that the dynamic medium of cinema would be increasingly used to widen the horizon of friendship and to bring closer the vision of a world which could be called one family.

Earlier, Mr. Satya Narayan Sinha, Central Minister for Information and Broadcasting, in his welcome address, said that a feature of the Festival would be the Indian cinema retrospect covering a period of 50 years. He expressed the hope that another Festival would provide an exposition of Afro-Asian cinema and bring into sharp focus "the creative achievements as well as the professional problems of this part of the world."

Thirty-two of the 58 countries which were invited to the Festival participated in the event. But, not many countries included actors and actresses in their delegations.

The fourth International Film Festival was the second competitive international event to be held in India. The first was held in 1965. Two other festivals held in 1952 and 1961 were non-competitive in character.

Awards:

The Festival ended on December 18, 1969 with the presentation of 11 Awards. The Golden Peacock for the best feature film went to the US-Italian entry, "The Damned," directed by Luchino Visconti. The Golden Peacock for the best short film was won by the Cuban entry, "Taking Off At 1800 Hours."

The following were the awards:

Golden Peacock for the best feature film: "The Damned" (USA-Italy).

Golden Peacock for the best short film: "Taking Off At 1800 Hours" (Cuba).

Silver Peacock for the best Director: Kerel Kachyna in "Funny Old Man" (Czechoslovakia).

Silver Peacock for best actress: Lucia Bose in "Jurtzenka" (Spain).

Silver Peacock for the best actor: Christopher Sandford in "Jurtzenka" (Spain).

Silver Peacock for the short film: "Man and the Crow" (Ceylon).

Special Jury Prize: "Tagore Paintings" (India).

Jury's Special Merit Award: "Bhuvan Shome" (India).

Unicrit Award: (1) "The Joke" (Czechoslovakia) directed by Jaromil Jires; (2) Special mention to Mrinal Sen, Director of "Bhuvan Shome."

Cidalc Award: (1) "Bhuvan Shome" (India); (2) The Total Work of Lester James Peries.

Gandhi Award: Best Feature Film: "Five Past Five."

(The Hindustan Times, New Delhi)

[Prev. ref. 8676:INI:P]

Z. Harappan Skeletons Excavated: Four human skeletons, specimens of pottery and copper bangles, possibly belonging to the Harappan Age (1300 BC) have been excavated from a fashionable shopping centre in Chandigarh.

The first skeleton was found recently when labourers were digging the foundation of a building. The Department of Indian Culture and Archaeology of Punjab University then started the excavation and on January 1 three more skeletons were found.

Earlier, pots belonging to the "ochre-coloured pottery culture" or pre-Iron Age (about 3,300 years ago), copper bangles and rings and beads of carnelian stone were also found at a depth of 12 feet. Some of the earthen pots had pointed bottoms which, archaeologists said, was typical of the Harappan culture.

(The Times of India, New Delhi)

[Prev. ref. 8797:INI:V]

IRAQ

A. **Cabinet Re-shuffle:** The President, Mr. Ahmad Hassan El Bakr, re-shuffled and enlarged his Cabinet on December 31, 1969 by bringing a known Communist into the Government for the first time.

Brought into the Cabinet was the veteran Communist lawyer, M. Aziz-Sharrif, as Justice Minister. He has headed various Communists front organizations in Iraq since 1946 and has spent years in hiding and working underground.

Five Ministers lost their jobs. But three of them remained in the Cabinet as Ministers without Portfolio.

The re-shuffle did not affect the dominant role of President Bakr's Arab Socialist Ba'ath Party which seized power in July, 1968.

(Baghdad Radio)

[Prev. ref. 8496:IRQ:A]

B. **More Political Prisoners Freed:** It was disclosed in Baghdad on December 18, 1969 that the Government had released another group of political prisoners, including the former Premier, Mr. Taher Yahya.

The move was considered part of the Ba'athist Party's new policy to set up a national front with the participation of non-Ba'athist elements.

Also freed were two other Ministers in the ousted Aref Government—Mr. Malek Douhan Al Hassan and Mr. Hassan Tamer—as well as other Ba'athists considered Leftist. They had been arrested on charges of corruption and neglect of duty.

Another group, jailed for espionage, was freed following a Ba'athist Party inquiry which found the accusations inaccurate.

(Baghdad Radio)

[Prev. ref. 9090:IRQ:B, 9310:IRQ:A]

ISRAEL

A. **West Asia Fighting:** An Iraqi military **communique** reported on December 21, 1969 that Iraqi anti-aircraft guns had shot down two Israeli fighters in a six-hour Israeli attack on the Jordan-Syria front. Four Iraqi soldiers were killed and three injured in what was described as a "massive aerial operation."

In Amman, a military spokesman reported that Jordan anti-aircraft guns shot down one Israeli plane during a three-hour attack on villages in north Jordan.

Israeli commandos cut deep into UAR on December 22, 1969 and mortared a naval base on the Red Sea at Safaga.

Safaga, 100 km south of the mouth of the Gulf of Suez, guards a road linking the Red Sea coast to the Nile Valley.

On December 18, 1969, an Israeli commando unit attacked an UAR Army camp at Salihive. east of the Suez Canal.

Israel handed over to UAR on December 22, 1969 about 330 Arab civilians and two bodies of UAR soldiers killed on December 17, 1969 in a raid across the Suez Canal. The transfer was effected by the Red Cross.

An Israeli spokesman said in Tel Aviv that Israeli war-planes pounded military targets in UAR and Jordan on December 26, 1969.

He said that UAR artillery and anti-aircraft batteries were hit near the city of Suez in a raid lasting three hours. Eye-witnesses said that an hour-long battle in Jordan territory, couth-east of the Sea of Galilee, left two Jordanian army vehicles afire. All planes returned safely from both raids. In occupied Gaza city, a hand grenade was thrown at an Israeli patrol vehicle.

Reacting quickly to the Israeli commando raid across the Gulf of Suez on December 26, 1969, UAR claimed on December 28, 1969 that their naval commandos struck in the opposite direction and destroyed Israeli equipment and killed many soldiers on the west coast of the Gulf.

It was the first UAR commando action in many weeks.

Israel had stepped up air and commando activity since the collapse of the Rabat "summit," but all operations were described by UAR as abortive. The latest Israeli commando attack on the Suez Gulf coast was repulsed at the cost of two UAR soldiers killed and four missing.

An Israeli military spokesman said that Israeli planes bombed the Jordanian radar station at Ajlun in a 3½-hour raid on December 28, 1969.

The raid followed "a sharp increase in acts of aggression" from Jordanian territory. All Israeli aircraft returned safe.

Cairo said that two Israeli jets, one a **Phantom,** were shot down during an hour-long raid on UAR positions near the foot of the Canal. The UAR commandos destroyed an Israeli armoured car and killed its occupants in a sortie across the Suez Gulf.

Jordan announced on December 28, 1969 that it had inflicted 13 casualties and damaged three Israeli vehicles in a series of clashes during the day.

It was stated in Tel Aviv that on December 31, 1969, Israeli jets pounded UAR artillery and anti-aircraft batteries in the southern sector of the Suez Canal. All Israeli planes returned safely from the 80-minute raid.

Also, Israeli war-planes hammered Jordanian artillery batteries in the Gilad mountains south-east of the Sea of Galilee following artillery exchanges on December 31, 1969.

Israeli jets streaked into northern Jordan on January 1 and bombed the Ghor irrigation canal, a vital channel for Arab farmers.

Tel Aviv official sources said that on January 2, Israeli troops crossed the Lebanese border to hunt for Arab guerrillas who captured an Israeli civilian watchman on December 31, 1969. The troops entered the Lebanese village of Kefar Kela and took a number of suspects back to Israel after searching for Arab saboteurs.

According to a Beirut report, three Israeli soldiers were killed when Lebanese forces counter-attacked.

A United Arab Republic patrol, according to Cairo military sources, killed or wounded five Israelis during a raid across the Suez Canal into Sinai on January 2.

On January 4, according to Tel Aviv, Israeli war-planes shot down two Egyptian jets during an air strike on UAR. The two jets—both Soviet-made MIG-21s—exploded in the air.

The latest action brought to 62 the number of UAR war-planes Israel has claimed shooting down since the June, 1967 war.

Israeli forces killed nine United Arab Republic soldiers belonging to a commando party which crossed the Suez Canal on January 5 in a raid on the Israeli-held east bank.

It was one of the UAR's heaviest losses in recent weeks of raid and skirmishes along the blocked waterway.

A military spokesman in Tel Aviv said the commandos clashed with Israeli troops north of Port Tewfiq.

An Israeli Army spokesman said that UAR war-planes twice tried to raid Israeli military installations at both ends of the Suez Canal on January 6, but failed to cause any casualties.

According to an Amman report, Jordanian and Israeli forces exchanged artillery and light weapon fire during an 80-minute duel in the south of the Jordan Valley on January 6.

An Amman military spokesman said that Jordanian and Israeli forces fought an hour-long duel across the Jordan on January 6 using machineguns, mortars and heavy artillery.

Israeli planes raided two villages in southern Lebanon on January 6 causing property damage without casualties. The planes hit Kfar Hamam and Rachaya el Fokhar villages in the Arkoub region.

According to an Israeli Army spokesman, the Israeli Air Force hit UAR military targets across the southern end of the Suez Canal and saboteur hide-outs in the far north on **Mt. Hermon** slopes in Lebanon on January 7.

UAR Radar Station Taken Away:

The London newspaper **Daily Express** reported on January 2 that Israeli commandos had stolen an entire top-secret seven-ton radar station which the Russians gave to Egypt recently.

It said that the raid took place at the Gulf of Suez port of Ras Ghareb, 115 miles south-west of Port Suez on the night of December 26.

According to the story, the radar capture was carried out because Israeli pilots on recent missions to destroy radar posts had found that Egyptian ack-ack guns were hitting home no matter how fast and low their planes came in.

President G. A. Nasser For A Political Settlement:

According to Associated Press news agency, President G. A. Nasser was reported to have told Palestine guerrilla leaders that he favoured a political settlement of the West Asian conflict rather than a war with Israel.

He argued that the Arab armed forces would not be strong enough to fight Israel for five more years.

This report was published in the Left-wing weekly, **Africasia,** which reflects the views of the socialist leaders in Asia and Africa.

The magazine said that President Nasser, at a recent meeting, presented a "realistic picture" of the military situation of the Arabs and reportedly said that the Israeli air force had "great superiority" and that the UAR Air Force had as many planes as had Isreal but lacked trained pilots.

He was reported as saying that only in five years' time would UAR have parity in pilots to "crush the superiority" of the Israeli Air Force.

He added: "So, in five years, we can really fight a war, but one should not think the Israelis will stay inactive during that period. We just learned a few days ago that they had doubled the number of their tanks."

Maj.-Gen. M. Dayan On UAR Aircraft Losses:

The Israeli Defence Minister, Maj-Gen. Moshe Dayan, told the Knesset on January 6 that Israel had shot down a total of 76 Arab combat aircraft since the June, 1967 war.

Replying to a question, he said that 62 planes had been brought down on the UAR front and 14 on the front between Israel and Syria. Forty-six of the downed Arab planes were MIG-21, 16 were MIG-17 and four Sukhoi-7—all Soviet-designed.

In answer to another question, he said that up to the end of November, 1969, altogether 55 Arab civilians had died in Israeli-occupied territory as a result of Arab guerrilla activity, and 454 civilians were injured. These figures included nine dead and 28 wounded as a result of fire by Israeli security forces following guerrilla assaults or in answer to hand-grenade attacks.

He added that from the end of the June, 1967 war up to the end of November, 1969, UAR activity of all kinds numbered 3,971 incidents. They caused 400 Israeli civilian casualties of whom 40 died, and 188 military casualties of whom 23 were killed.

Summing up the war in the air, he said, there had been altogether 35 dog-fights between Israeli, UAR and Syrian combat aircraft; Israel had carried out 168 air attacks on enemy targets.

UAR armour and air power had grown by 170 per cent compared to what it was on the eve of the 1967 war. There had been a considerable improvement in the standards of the arms supplied by the Soviet Union to UAR and other Arab countries including Sudan.

UAR-Libya-Sudan Alliance To Fight Israel:

The establishment of an Arab Revolutionary Alliance between UAR, Sudan and Libya to "widen the fighting front" against Israel was launched at the Libyan capital of Tripoli in the last week of December, 1969 at the end of the talks between President Nasser, Gen. Nimeiry (Libya) and Col. Geddafy (Sudan).

Coming as it did closely on the heels of the abortive Arab "Summit" in Rabat a week earlier, the results of the Tripoli "little summit" provided comfort and cheer to the disheartened "progressive" sections of the Arab world.

(Cairo Radio, The Egyptian Gazette, Cairo, **The Times,** London, **The Statesman,** Calcutta and **Jerusalem Post)**

[Prev. ref. 9342:ISR:A]

B. El Aqsa Mosque Fire—Rohan Found Not Guilty: An Israeli court found on December 30, 1969 that Denis Michael Rohan, 28-year-old Australian sheep-shearer who admitted to having setting fire to the El Aqsa Mosque on August 21, 1969 (see page 9177) was not punishable under law because of his mental state.

It ordered him to be sent to hospital. According to Israeli law, a committal order to hospital is similar to a conviction and Rohan was given 45 days in which to appeal.

The verdict was delivered by the Jerusalem District Court which found him not guilty, because of insanity, of a crime when he set fire to the mosque, Islam's third holiest shrine.

Rohan remained impassive showing no sign of emotion throughout the 2¼-hour judgment read by Judge Harry Baker.

Through his lawyer, Rohan had pleaded not guilty because of insanity to four charges of arson and violating a holy place.

During his trial which began on October 6, 1969, Rohan said that he tried to burn down the mosque on August 21 because God wanted him to re-build Solomon's temple on the site of the mosque and would crown him king of Jerusalem.

He said that an Israeli girl, Ziporah, who taught him Hebrew in a Kibbutz, would be his queen.

During his four days of evidence, Rohan claimed that he was a relative of Britain's Queen Elizabeth and that they both descended from the House of David.

He also described how he had been persecuted by Satan all his life but had finally overcome him when he realised he was God's chosen agent.

The fire gutted the south-eastern wing of the Mosque and sent waves of anger throughout the whole Muslim world. It brought accusations that the Israeli Government itself was responsible.

Reactions:

A Jordanian Minister, Sheikh Abdullah Ghosha, charged on December 30, 1969 that the Israeli Government was mainly responsible for the burning of the El Aqsa Mosque in Jerusalem.

In Damascus, an official Syrian spokesman described the verdict as an "attempt by the Israeli authorities to cover up their premeditated crime of burning the Mosque."

Mr. Zuheir al-Midani, Assistant Secretary-General of the Federation of Arab Lawyers and President of the Union of Syrian Lawyers, said that the trial was "a poor play, produced by the Israeli authorities to evade responsibility for burning the Mosque."

(Jerusalem Post, The Times, London and **The Hindu,** Madras)

[Prev. ref. 9177:ISR:B]

C. Sinai Oil—UAR Warning: According to the Italian newspaper **Globe,** the UAR Government had warned on January 4 that it would "react" if Israel extracted oil from beneath the Sinai desert.

UAR, it said, had already warned Canada, USA and Britain about the gravity of such an act and the repercussions it would cause.

He referred to statements by Mr. John King, Chairman of the US company—King Resources—that any oil discovered in the Sinai desert by one of his subsidary companies—Mobdar—would be the "property of the State of Israel."

Geological and technical exploration of the Sinai desert, it was said, has already been undertaken by Mobdar which is under contract with the Israeli Government.

Oil wells may be sunk near those which the Italian State-owned petroleum company, ENI, sunk before the June, 1967 war under an Italian-UAR co-operation scheme.

(The Hindu, Madras)

[Prev. ref. 7853:ISR:A]

D. Defence Expenditure: The Finance Minister, Mr. Pinhas Sapir, announced in Jerusalem on January 5 that Israeli defence expenditure for 1970 would amount to £4 billion—3½ times more than before the June, 1967 war.

Total budget spending for 1970 was estimated at £10,000 million in a plan.

(Jerusalem Post)

[Prev. ref. 8276:ISR:B]

JAPAN

A. Air Agreement With Soviet Union: Japan and the Soviet Union signed an Agreement on November 5, 1969 providing for independent air services by Japan Air Lines (JAL) and Aeroflot between Tokyo and Moscow over the Siberia route beginning in March, 1970.

The negotiations began on October 28 under an arrangement made in February, 1969 in Tokyo between the Transport Minister, Mr. Ken Harada and the Soviet Civil Aviation Minister, Mr. Yevgeny F. Loginov.

JAL and the Soviet State airline Aeroflot had been jointly operating the Tokyo-Moscow service via Siberia by using chartered Russian airliners since 1967.

Under the new Agreement, JAL and Aeroflot will start operating their own Tokyo-Europe services on March 28, 1970. Their routes will initially be Tokyo-Moscow-Paris and Tokyo-Moscow-London. JAL and Aeroflot will each operate bi-weekly flights on the routes using DC-8s and Ilyushin-62s, respectively.

The new Agreement will open the shortest Tokyo-Europe air route—three to 3½ hours shorter than the North Polar service.

Both sides also signed Technical and Commercial Agreements related to the independent air services.

(**The Japan Times**, Tokyo)

[Prev. ref. 8866:JAP:L]

B. Release Of Japanese Detenus In China: Five Japanese trading company employees returned to Tokyo on November 8, 1969 from Hong Kong after they were released from 28 months' detention by China.

The five, all employees of Daiichi Tsusho Co., were: Mr. Kazunori Mori, Mr. Kaname Iwamoto, Mr. Toshio Nishino, Mr. Koichi Yahagi and Mr. Takehiko Fujita.

China had placed them under house detention on spying and other charges.

At a news conference held immediately after their return to Tokyo International Airport, however, they evaded any definite answer to a question about the Chinese charges against them. Their release was in the form of deportation but no conditions were attached to their release. They said that they had little information on the eight other Japanese detained in China.

Government officials welcomed their release, but they believed it was too early to conclude that Peking's policy toward Japan had changed.

(**The Japan Times**, Tokyo)

[Prev. ref. 9250:CHI:A]

C. Banking Transactions With China: Japanese foreign exchange banks, with the approval of the Bank of Japan, have accepted a new Sino-Japanese trade formula for settling transactions.

The formula, proposed by Peking, is expected to go into effect immediately, particularly affecting transactions at the Canton Commodity Fair.

The main points of the new settlement formula, which had been at issue between Japan and China for the past eight months, are:

(1) Japan and China will use their own currencies for drawing up contracts and issuing letters of credit;

(2) The £ sterling will be the account settlement currency for the time being or until either side wishes to make a change.

(3) The exchange rates will be Yen 864 and Yuan 5.908 for £1; and

(4) If changes in exchange rates occur, Japan or China will immediately inform the other to this effect and negotiations will resume.

(**The Japan Times**, Tokyo)

[Prev. ref. 8931:JAP:A]

D. Nuclear Fuel Plant: According to the Japan Nuclear Fuel Company, the country's first nuclear fuel manufacturing plant is scheduled to begin operations on the southern shore of Tokyo Bay by the Autumn of 1970.

Construction of the factory was started recently by the company as a joint venture of Tokyo Shibaura Electric Company, Hitachi, and General Electric Company of USA. Trial production is expected to begin in March, 1970.

The joint venture firm has invested more than $2.6 million. The two Japanese partners hold 30 per cent each and General Electric has a 40 per cent investment.

Nuclear electric power generation of Japan's second commercial plant will start full operation in November, 1970, when the Tsuruga station puts on stream its 322,00-kw light water-cooled power reactor. The plant, owned by the nation's nine largest electric power companies, will be operated by the Japan Atomic Power Company, producing 40 tons of refined uranium and processing it into fuel bars by the end of the first year.

(**The Japan Times**, Tokyo)

[Prev. ref. 8904:JAP:A]

E. Cotton Trade Agreement With EEC: Japan and the six member-nations of the European Economic Community (EEC) signed on October 22, 1969 a new annual Cotton Trade Agreement retro-active to October 1, 1969.

Under the Agreement, EEC countries will abandon their arbitrary controls on Japanese exports of cotton textiles. In return, Japan will voluntarily regulate exports to Belgium, the Netherlands, Luxembourg, France, West Germany and Italy.

The Tokyo Ambassadors of the six countries signed for their respective Governments and Mr. Kiyohiko Tsurumi, Director-General of the Foreign Ministry's Economic Affairs Bureau, signed for Japan. The accords were based upon an international long-term cotton trade pact and an over-all Trade Agreement between Japan and the EEC nations.

Exports predicted that the volume of Japan's cotton goods exports to the EEC would now be increased from the present 7,770 tons to a total of 11,450 tons annually. The new target would be broken down as follows: 6,000 tons to West Germany, 2,650 tons to France, 1,600 tons to Italy and 1,200 tons to the Benelux countries.

(**The Japan Times**, Tokyo)

NEPAL

A. King Mahendra On Panchayat System: Addressing a function in Birganj on December 17, 1969, King Mahendra deprecated the attempts of some people to create "misgivings about the Panchayat system."

He said that it was wrong on the part of any one to attempt to shake off the confidence of the people in the Panchayat system. He was sure no Nepali could be "beguiled" now as before. His reference was obviously to the movement initiated in the fifties by political parties for the introduction of parliamentary democracy which was eventually discarded by him in December, 1960.

The King said that it was a liberal system under which everyone had the right to find a solution to national problems by mutual discussions. "It does not mean that one can do what one chooses or speaks as one likes."

He declared his resolve to serve the nation and to consolidate the gains of the Panchayat system which was based on the "strength of the people."

(**The Times of India**, New Delhi)

[Prev. ref. 8857:NEP:B, 9199:NEP:A]

B. Replacement Of Indian Personnel At Border Check-posts: A Foreign Ministry spokesman disclosed in Khatmandu on January 1 that Nepalese had replaced about 25 Indian personnel in eight Nepalese border check-posts.

The replacement was in accordance with the Agreement reached between the two countries in June, 1969.

The remaining Indian personnel in nine Nepalese border check-posts would also be withdrawn during the current year.

The Times of India, New Delhi)

[Prev. ref. 9095:NEP:A]

C. Construction Of National Highway—World Bank Team's Recommendations: A study team of the World Bank has suggested the construction of a new national highway linking Khatmandu Valley with the Nepalese Terai and India and through India with the rest of the world.

The team has submitted a report with their suggestion to the Nepal Government after completing a survey of the Tribhuvan Rajpath and the Bagmati delta.

The team, which visited Nepal recently, suggested that this road should run all along the Bagmati River banks. The necessity of a new north-south road had been considered more practical and dependable as the present Tribhuvan Rajpath linking Nepal with India was too expensive and perennially fraught with accidents. It may be recalled that Tribhuvan Rajpath was the first national highway built through Indian aid opening up Nepal to the rest of the world through India.

The alternative highway as suggested by the World Bank team would run from Khatmandu up to Hetauda and would be about 80 km long. Two major bridges would have to be built over the Bagmati River.

The Tribhuvan Rajpath built through Indian aid but under the Nepalese charge needs repairs at several points. The repair work would, however, be very costly. It was estimated that the gasoline and other expenses involved in traffic on the Tribhuvan Rajpath amounts to Rs. 10 crores annually.

Traffic on the highway had throughout remained hazardous. With increased developmental activities in the Kingdom, the traffic had increased tremendously. Therefore, canalization of road traffic was imperative.

(**The Times of India,** New Delhi)

[Prev. ref. 7488:NEP:A]

PAKISTAN

A. Constitutional Proposals Criticized: The recent constitutional proposals of President Yahya Khan (see page 9365) have come in for sharp criticism from some leading politicians, who have termed them as "inadequate and half-hearted."

While most of the establishment Press has hailed Gen. Yahya Khan's announcement about the dismemberment of the unified West Pakistan, there is a feeling that measures like the holding of elections by October, 1970 and acceptance of the one-man one-vote principle do not go far enough.

Voicing his disappointment, Mr. Z. A. Bhutto, former Foreign Minister and Chairman of the Pakistan People's Party, called them "a half road" towards constitutional settlement.

The **Dawn** of Karachi in the first week of December, 1969 quoted Mr. Bhutto as expressing his strong doubt if the Constituent Assembly would be ever able to solve problems like the extent of autonomy to be enjoyed by different units of Pakistan and the question of an Upper House.

It may be recalled that East Pakistani leaders had been demanding an uni-cameral legislature which should be elected on the basis of direct adult franchise. This would give East Pakistan a majority of about 55 per cent. President Yahya Khan had declared that such issues would be settled by the Constituent Assembly.

Mr. Bhutto was of the view that on all such matters the President should have given a clear verdict.

The former Chief Minister of East Pakistan, Mr. Ataur Rehman Khan, also criticized some of the provisions of Gen. Yahya Khan's announcement. He expressed disappointment over the fact that autonomy issue had been left unsolved.

Though Sheikh Mujibur Rehman of the Awami League described these measures as "one step forward", he expressed fears about the shape of things to come. In his view, the elections should have been held much earlier than scheduled.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8894:PAK:A, 9365:PAK:A]

B. Regional Autonomy Not Linked With General Elections—President Yahya Khan's Clarification: President Yahya Khan said in Dacca on December 23, 1969 that the question of regional autonomy had nothing to do with the General Elections in the country and that the issue had been left to the people to settle.

When his attention was drawn to the demands by Pakistani leaders, Maulana Bhashani, Mr. Ataur Rahman and Mr. Nurul Amin, that the question of regional autonomy should be settled before elections, he said: "This was only the demand of three persons out of the 12 crore people of Pakistan. They may be representing political parties but I will not recognize them as people's representatives until they come through elections."

He said that one-man one-vote meant representation on the basis of population. Consequently, East Pakistan would have a larger representation in the National Assembly.

Demand For Creation Of Separate Provinces In West Wing:

Meanwhile, creation of separate provinces of Karachi and the erstwhile Bahawalpur State has been demanded following Gen. Yahya Khan's announcement about the dismemberment of the One-Unit in West Pakistan.

Karachi leaders such as Mr. Z. H. Lari, of the Muslim League, Mr. Khaliq-uz-Zaman, and others have expressed the view that the present character of Karachi would be lost if the city was allowed to be reamalgamated in Sind.

Karachi city has a large number of Urdu-speaking refugees who are opposed to the demand to make Sindhi a national language of Pakistan and to give complete autonomy to Sind in internal affairs.

According to the daily **Jung,** representatives of over 50 political, social and cultural organizations of Karachi have stated in a resolution that the separate identity of the city must be kept. They have also alleged that about half-a-million Pathans, who were settled in Karachi under encouragement from President Ayub Khan, were trying to create conditions of lawlessness under the instigation of Mr. Gauhar Ayub, the former President's son. Mr. Z. A. Bhutto and other Sind leaders have, however, opposed the demand.'

Meanwhile, some Punjab politicians have lent their support to the demand for the creation of a separate province of Bahawalpur State along with the districts of Multan, Dera Ghazi Khan and Dera Ismail Khan.

Nawab Mushtaq Ahmed Gurmani, a former Governor of West Pakistan, and Mr. Hassan Mahmood, a former Chief Minister of Bahawalpur State, have supported the suggestion on the ground that the people of these areas speak a language which was different from Punjabi. But other leaders, including Air Marshal Asghar Khan, have opposed the suggestion on the ground that the language of these areas was only a dialect of Punjabi.

(**The Times of India,** New Delhi and **The Statesman,** Calcutta)

[Prev. ref. 8894:PAK:A]

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INDIA

SUMMARY: Firing On East Pakistan Border; State Monopoly Over Import Of Five Items; Ban On Use Of Cyclamates; Licences To Birla Group; Parliamentary Opposition Comes Into Being; Indian Airlines' Annual Report.

A. Firing On East Pakistan Border: The East Pakistan Rifles (EPR) fired on December 20, 1969 across the Punarbhaba River in the Bamungola sector of Indian territory in Malda district.

On hearing of the incident, the Inspector-General of the Border Security Force (BSF), Mr. P. K. Basu sent a protest to EPR headquarters in Dacca demanding an immediate cease-fire. The BSF sector commander went to the Malda border.

In March, 1969 EPR men had resorted to unprovoked firing in the same area, injuring three BSF personnel. According to a BSF spokesman, the latest firing at least in the initial stages was not returned by the Indian side.

The feeling in political circles was that the East Pakistan authorities wanted to create tension across the border to divert public attention from the political issues facing the country. According to BSF sources, the firing was all the more surprising as it violated the agreement reached between the BSF and the EPR after the firing in March, 1969.

Cease-fire:

A cease-fire took effect at 1-39 p.m. on December 21, 1969 at Bamungola in Malda district after about 22 hours of unprovoked, intermittent firing by East Pakistan Rifles from across the border.

The cease-fire followed telephonic contacts established by BSF authorities with the EPR headquarters at Rajshahi in East Pakistan.

(**The Hindusthan Standard** and **The Statesman,** Calcutta)

[Prev. ref. 8901:INI:R, 9304:INI:T]

B. Mixed Economy Favoured By Mrs. I. Gandhi: In an interview on the role of the public sector, the Prime Minister, Mrs. Indira Gandhi has stated that mixed economy is a viable concept and can be the main means of attaining a socialistic society.

Today, in her view, the public sector has a prominent position in the national economy in name, but not in fact. The immediate requirement is to give it that position in fact also.

Since available resources were limited, public sector investments would be most suitable in areas where social returns were highest. She did not wish to diminish the private sector if it functioned "as it should function, realizing its own limitations, realizing the public compulsions".

She agreed that the expansion of the public sector had given rise to the expectation that it would make profits. On competition between the two sectors, as in the case of railways and road transport, she said there could be norms, but one had to take into account the social profits, and not only other profits. Rail-road competition existed in other countries also. In India, the Railways performed a much greater service than in almost any other country. If the Government decided not to bother about them the public suffered. That was where the question of public service came in.

She was asked about her concept of socialism, and the place of the public sector. Her attention was also drawn to the general expectation that on account of the recent developments she was likely to make policy changes of a socialistic character.

She said: "In the circumstances here in India it would be difficult to change entirely and suddenly what we have been committed to. We have been committed to the concept of a mixed economy. Within that, there is considerable room for movement.

"As far as I am concerned, and I think my party is concerned, we believe we should remain centrists but left of centre, if I may put it that way. (Personally I do not feel that the words Left or Right have much meaning. But they seem to make things clearer to people sometimes. That is why I am using them).

"The trouble is not that the policy has failed but it has simply not been implemented in the manner in which it should have been. I am not blaming anybody at all because sometimes you are a victim of circumstances: the whole system we have here and the circumstances of the country, and events which took place, have pushed us along one way or the other. But there is no doubt about the direction. And I know in which direction my father wanted to go; I know he felt that we were not entirely going there. But, as I said, the force of circumstances cannot be ignored.

"For the realization of our objectives, a sizable public sector is a necessity. The mixed economy which we have envisaged gives a prominent position to the public sector. And I think mixed economy is a viable concept and it can be the main means of attaining a socialistic society".

Did she envisage a more prominent place for the public sector in the total economy than it had so far? "Well, today it has a prominent position in name but not in fact. Therefore, the first requirement is that it should have it in fact also, in the manner in which it functions".

Which were the areas into which she wanted the public sector to move? "Obviously, since our resources are limited, the most suitable areas for public sector investment are those where the social returns are the highest," she replied.

(**The Statesman,** New Delhi)

[Prev. ref. 9087:INI:A]

C. State Monopoly Over Import Of Five Items: In pursuance of its policy of progressive nationalization of foreign trade, the Government decided on December 24, 1969 to canalize imports of five more items through the State Trading Corporation (STC) with immediate effect.

Of the five items, sulphur was the most important and profitable item of import. The other four items were titanium dioxide, ammonium nitrate (technical grade), cresylic acid and hops. The annual imports of these five items were of the value of about Rs. 20 crores.

When the import policy for the current financial year was announced on March 31, 1969, six new items were added to the list of imports handled by STC on a monopoly basis. These were copra, mutton tallow, soyabean oil, palm oil, cork wood, and sodium nitrate. In addition to these, it was announced that four more commodities—natural rubber, sulpha products, vitamins and antibiotics—would "normally" be imported through STC for sale to actual users.

In respect of certain other industrial raw materials, such as carbon black, aluminium oxide, phosphoric acid and cellulose acetate, STC was authorised to act as an indenting house on behalf of actual users.

Even before these changes, STC had a monopoly in the import of nine items. These were nylon yarn and thread, x-ray films, rock phosphate, muriate of potash, raw wool and wool tops, all synthetic non-cellulose fibres, including polyester fibre.

Import of mercury which was handled by STC till April, 1969 was transferred to the Minerals and Metals Trading Corporation, another State agency.

The Government had already decided *in principle* that the import *of all industrial* raw materials should *be made* in future only through State agencies as they would have the advantages of bulk buying and negotiating long-term contracts.

Further, it was believed that *canalization of imports*, particularly of scarce materials like sulphur, through State agencies would eliminate certain malpractices which were often attributed to private trading in such goods.

The Government had already decided to import raw cotton worth about Rs. 100 crores through a State agency from 1970. It was proposed to set up a separate Raw Cotton Corporation for this purpose.

(**The Times of India,** New Delhi)

[Prev. ref. 9162:INI:G]

D. Abolition Of Controls On Cement—Government Decision Reversed: The Government on December 22, 1969 reversed its decision to do away with all controls on cement from January 1, 1970.

Announcing this in Parliament, the Minister for Industrial Development, Mr. Fakhruddin Ali Ahmed, said the Government was reviewing the entire question of decontrol.

He said that numerous representations had been received by the Government from a large number of producers, MPs, State Governments and chambers of commerce urging the Government to reconsider its decision and continue the existing arrangements for the sale of cement at a uniform FOR destination price and freight equalization arrangements. The various grounds urged in these representations, in particular that there might be price rises after decontrol, specially in deficit areas warranted re-examination of the Government's decision.

Under the circumstances, he said, "the existing arrangement for the sale of cement on FOR destination price and freight pooling arrangements will for the present be continued beyond December 31."

The Government's decision to end all controls on cement with effect from 1970 had been announced by Mr. Ahmed in Parliament on April 14 (see page 8936). Since then, there had been opposition to the decision from southern and western cement factories on the ground that decontrol would hit them hard. They particularly wanted continuance of the freight equalization scheme under which they could sell their surplus production in northern States at the same price as elsewhere. Abolition of the scheme, they feared, would make it difficult for them to sell their surplus production in the north.

Producers in the north, however, contended that the southern mills could find a market for their surplus production in their own region as demand was bound to pick up after decontrol. They could also export a part of their surplus.

The southern mills feared that they would be ruined financially if there was decontrol accompanied by abolition of the freight equalization scheme. The State Governments of Tamil Nadu and Andhra also voiced their opposition to decontrol.

(**The Times of India,** New Delhi)

[Prev. ref. 8936:INI:I]

E. Ban On Use Of Cyclamates: The Government banned on December 25, 1969 the use of cyclamates in pharmaceutical necessity or as a sweetening agent in pharmaceutical preparations.

The action was taken after the recent reports that cyclamates were suspected to be cancer-inducing in animals under certain conditions. The authorities in USA and UK and in some other countries had banned their use in food and drugs.

The Drugs Technical Advisory Board had considered the question of manufacture of preparations containing cyclamates and, on its recommendation the Central Drugs Controller had asked all States' Drugs Controllers to take immediate action in this regard pending the amendment of the Drugs and Cosmetics Rules.

The manufacturers preparing syrups of antibiotics, multivitamins, gripe water or any other preparation would not be permitted to use cyclamates as a pharmaceutical aid or necessary. The manufacturers producing sweetening agents containing cyclamates in tablet or liquid form would, however, be permitted to manufacture these preparations on certain conditions.

(**The Hindustan Times,** New Delhi)

F. Licences Issued To Birla Group: According to official figures, the Birla group of concerns has been issued 27 industrial licences in the last three years.

Of the total number of licences issued to the group in this period, ten were for setting up new industrial undertakings and 17 for substantial expansion of existing units. In addition, six licences were issued for the manufacture of new articles in existing Birla concerns.

These licences were given to the group after the publication of the Hazare Committee report which had alleged "certain irregularities" in the issue of licences to the Birla concerns. The Hazare Committee's finding that 375 industrial licences were issued to the group between 1957 and 1966 had caused a furore in Parliament in 1967 and several Congress and opposition members had demanded that no new licences should be issued to the group pending an inquiry.

The Dutt Committee, which was appointed to go into the "disclosures" made by the Hazare Committee, had also made certain adverse remarks on the cornering of licences by a few big business groups, including the Birlas.

After examining the Dutt committee report, the Government had decided to set up an inquiry commission to go into the alleged malpractices of a few big industrial houses, including the Birlas, though the composition and terms of reference of the commission were yet to be announced.

During the last three years, no licence for the setting up of any new undertaking was issued either to the Tata group or the Walchand group. The Tatas were, however, given 14 licences for expansion of existing units.

(**The Times of India,** New Delhi)

[Prev. ref. 9164:INI:P]

G. Abolition Of Privy Purses—Resolution Passed By Rajya Sabha: The Rajya Sabha passed on December 19, 1969 a resolution which bound the Government to take "all legal and other steps" to abolish privy purses and privileges of former rulers before the presentation of the Budget on February 28.

Coinciding with the "historic decision", as the adoption of the motion was described, came the Home Minister, Mr. Y. B. Chavan's assurance that the Government's pledge to abolish purses and privileges stood. He repeated that negotiations with the princes would be completed within the deadline set by him earlier—the end of the year (1969).

The resolution would have given the Government time up to February 28 to make up its mind. But, Mr. Chavan went a step ahead and said that it would be before the Budget session commenced.

Intervening in the debate, Mr. Chavan spoke of the Government's commitment to the House and the nation to do away with princely privileges. There had been no change in the stand. But the Government, he said, did not want to move in the matter in a manner that might alienate any section of the community. The princes after all were part and parcel of the Indian community. It was necessary, therefore, to talk with them and to negotiate and to work out an agreed solution.

(**The Statesman**, New Delhi)

[Prev. ref. 9302:INI:D]

H. Parliamentary Opposition Comes Into Being: A duly recognized parliamentary opposition came into being on December 17, 1969, 22 years after Independence.

The Congress Party in opposition, led by Dr. Ram Subhag Singh was accorded that recognition by the Speaker of the Lok Sabha. (The primary pre-requisite for securing recognition as an Opposition Party is to have a membership of not less than a tenth of the total strength of the House. This had not been possible all these years, till a section of Congressmen crossed the floor from the Treasury Benches to the other side. They have a strength of more than 60, and thus form the second largest single party in the Lok Sabha.)

While Dr. Singh has the official status of Leader of the Opposition, it was made clear by Communist opposition groups that he should not be deemed to be the spokesman for the entire Opposition on vital issues.

In the Rajya Sabha, its Chairman, Mr. G. S. Pathak announced on December 18, 1969 that Mr. S. N. Mishra, leader of the Congress Opposition, would be Leader of the Opposition in the House.

He said that the Congress Opposition party with a strength of 39 in the 240-member House was having the largest following among the Opposition parties.

The Prime Minister, Mrs. Indira Gandhi, congratulating Mr. Mishra, assured him full co-operation from the Government. She also hoped that Mr. Mishra would give the same co-operation for maintaining the decorum and dignity of the House.

(**The Times of India**, New Delhi)

[Prev. ref. 9301:INI:D]

I. Check On Monopolies In Business—Bill Passed: The Monopolies and Restrictive Trade Practices Bill was passed by the Lok Sabha on December 18, 1969 after some 300 amendments tabled by Opposition members were rejected.

The Rajya Sabha had already passed it.

Under the Bill—which will become an Act of Parliament when it receives the assent of the President—a Commission will be appointed by the Central Government with a person of the rank of a Supreme Court Judge as its Chairman. The Commission will have powers to inquire into any restrictive trade practices upon receiving a complaint of facts from a consumers' association having a membership of not less than 25 persons.

In his reply to the third reading, the Minister for Industrial Development, Mr. Fakhruddin Ali Ahmed, said the spirit behind the legislation was the acceleration of the rate of economic development in the country. He rejected the criticism that public sector undertakings also constituted monopolies. Since they were public sector projects, their operations and functioning was in the interests of the public.

(**The Times of India**, New Delhi)

[Prev. ref. 7329:INI:N]

J. Income-tax Assessment Of Mr. Jagjivan Ram: In a written reply in the Lok Sabha on December 22, 1969 relating to the Food Minister, Mr. Jagjivan Ram's income-tax assessment, the Minister of State for Finance, Mr. P. C. Sethi, said that for the assessment years 1955-56 to 1958-59, assessment was not finalized because it was filed late and barred by limitation.

However, if the assessment could be finalized, there would have been nominal demands of Rs. 14, Rs. 2 and Rs. 2 for the first three years, respectively, and a refund of Rs. 235 due for the last year, resulting in a net refund of Rs. 217 in respect of these four years taken together. The refund was not allowed.

For the assessment years 1959-60 to 1968-69, returns had been filed and assessment for all the years had been completed and tax paid by the assessee.

"Show-cause notices" for levy of penalty under Section 271(1)(A) were issued for the years 1959-60 to 1968-69. Mr. Jagjivan Ram filed an application before the Commissioner of Income-Tax for waiving penalty under Section 271(4A).

For the assessment years 1959-60 to 1961-62, the Income-Tax Officer dropped the penalty proceedings, keeping in view the general assurance given in the Assembly that individual notices under Section 22(2) would continue to be issued in the cases of existing assessees and it was the practice of the department that defaulters under Section 22(1) in such cases were not penalized.

For the assessment years 1962-63 to 1968-69, the Commissioner of Income-Tax waived the penalty in exercise of judicial discretion vested in him under Section 271(4A) of the Income-Tax Act, 1961.

The returns of income for the assessment years 1960-61 to 1963-64 were regularized under Section 147 of the Income-Tax Act, 1961, and those for assessment years 1964-65 to 1968-69 were accepted under Section 139(4) of the Income-Tax Act, 1961.

(**The Statesman**, New Delhi)

[Prev. ref. 9266:INI:B]

K. Corruption Charges Against Bihar Ministers Upheld By Mudholkar Commission: It was announced in Patna on December 11, 1969 that the Mudholkar Commission had upheld the charges of abuse of power and arbitrary action against Mr. Kamakshya Narain Singh, Raja of Ramgarh, during his tenure as Minister of Mines and Minerals and PWD in the United Front Ministry that came to power in Bihar after the 1967 General Election.

According to an official summary of the findings of the Commission, the charges upheld or substantiated against 12 of the 14 Ministers were found to be "mostly of a minor nature". But those established or upheld against Mr. Kamakshya Narain Singh were of "a more serious nature".

The Commission, appointed by the Soshit Dal Ministry to inquire into charges of misuse of power and corruption against 14 Ministers of the Mahamaya Prasad Sinha Cabinet, exonerated Mr. Tej Narain Jha (Com), Minister of State for Irrigation and Power.

Mr. Mudholkar said it was unfortunate that Mr. Kamakshya Narain Singh was placed by the Chief Minister in a position "where his self-interest was bound to come in conflict with the interest of the State or the interests of a competing private party. By doing this, the Chief Minister sacrificed public interest on the altar of political expediency."

He added: "I am surprised that the Mines and Geology portfolio should have been offered to a person who, despite his denial, has substantial interest in numerous mines in a State which is one of the richest in the country in mineral deposits".

Mr. Mudholkar found that except in the case of the Raja of Ramgarh, "the State was unable to find even a single instance of corruption or self-aggrandizement." The allegations against Mr. Kamakshya Narain Singh were of making orders and observations which were intended to or were likely to confer unmerited *benefit on the Minister himself or* on a person or company in whom he was interested. "These actions arose out of matters relating to mines and were passed by a Minister who was or still is a big mine owner in Bihar. At any rate his family members and transferees from him who are or claim to be in possession of the mines to which the orders relate could benefit from them."

The charges against the Raja upheld by the Commission were:

(i) Abuse of power in granting lease of a vast area to a private party, causing heavy loss to the State by keeping the department out of the picture and ignoring the advice of the Mines Commissioner and the District Mines Officer;

(ii) Cancellation of lease to a cooperative enterprise for extraction of minor minerals and granting it to a private party in whom he was interested;

(iii) Abuse of authority in refusing to grant a lease to certain parties and thereby causing loss to the State and illegally setting up checkposts at such places on the Hazaribagh-Ranchi road as enabled coal-laden trucks proceeding to Hazaribagh from Kedla and Jharkhand mines in which the respondent and his family had interest to escape checking;

(iv) Arbitrary refusal to grant prospecting licence for mica to some parties;

(v) Arbitrary acceptance of a tender which was not the lowest in his capacity as Minister;

(vi) Misappropriation of travelling allowance advanced for a trip abroad which was abandoned; and

(vii) Improper refusal to renew a mining lease in favour of Sone Valley Portland Cement Co.

In the opinion of the Commission, the action of the Minister in refusing to grant leases and licences to a large number of parties causing loss to the State exchequer was "suspicious".

The Commission considered as "highly improper", though within his authority, measures taken by the Minister, such as determining leases, stopping working of mines, ordering prosecution and cancelling licences of Indian Mica Supply Co.

The charge of misuse of power, of showing favour to Mineral Development, Ltd. in which the Minister was interested had been fully established. His "actions in relation to this matter are highly reproachable".

The majority of the 21 charges preferred against Mr. Mahamaya Prasad Sinha could not be established. The cases in which the charges were upheld related mostly to withdrawal of detention orders or cases against some people.

The Commission was of the view that Mr. Sinha had abused his authority in revoking the order of detention passed against Mohiuddin of Ranchi for fomenting communal trouble. It also found that he had succumbed to the pressure of Mr. Kamakshya Narain Singh in ordering unconditional withdrawal of cases instituted against Mr. Indra Narain Singh, MLA.

It held that the withdrawal of cases against Mr. G. Sarwar, editor of **Sangam** who was accused of communal propaganda was "improper", but felt that the sting of the charge had been taken out because the motivating factor was promotion of communal goodwill.

It also held as "improper" the order of Mr. Sinha for the release of Mr. P. C. Garg, a CPI(M) worker detained under the Preventive Detention Act in connexion with the communal riots at Ranchi. The release was contrary to departmental advice and of the local authorities, because two of Mr. Sinha's Cabinet colleagues, Mr. Karpoori Thakur (SSP and Mr. Indradip Sinha (CPI), held that "a Communist could not be a communalist".

(The Hindustan Times,
New Delhi)

[Prev. ref. 9064:INI:A]

L. **Indian Airlines' Annual Report:** According to the annual report of Indian Airlines, placed in the Lok Sabha on December 19, 1969, a record profit of Rs. 166,00,000 was made by the airline in 1968-69.

The profit showed a remarkable recovery in the last two years as 1966-67 had ended in a loss of Rs. 288,50,000 and, 1967-68 in a loss of Rs. 26,20,000.

Mr. S. Mohan Kumaramangalam, the Chairman, later told newsmen that a vigorous growth in passenger traffic and an increase in overall load were the major factors of the working of Indian Airlines in 1968-69, contributing to its improved performance.

The report showed that the airline carried 1.96 million passengers as against 1.66 million in 1967-68, thus recording an increase of 18 per cent. The foreign exchange earnings of the airline rose from Rs. 6.89 crores in 1967-68 to Rs. 7.61 crores in 1968-69, which constituted 19 per cent of the airline's total operating revenues. The foreign exchange on revenue account was Rs. 3.99 crores, thus making Indian Airlines a net earner of foreign exchange to the extent of Rs. 3.62 crores. In addition, foreign exchange of the value of Rs. 0.56 crores was saved, as this amount would have been spent by the country if Indian Airlines had not operated its services to Afghanistan, Ceylon and Burma.

The revenue during the period under review rose by 15 per cent over the previous financial year to Rs. 40.12 crores, while the expenditure for the year increased by nine per cent to Rs. 36.55 crores. The result was an operating profit of Rs. 3.57 crores which was 169 per cent more than in the previous financial period. After taking into account the payments on interest to the Government on loan capital and credit financing charges on loans outstandings for the purchase of aircraft and spares, the year's working resulted in a net profit of Rs. 1.66 crores, thus showing a 12.8 per cent rate of return on the equity capital of Rs. 12.97 crores. This was in addition to the contribution to the Central exchequer by way of customs and excise duty on aviation fuel and oil amounting to Rs. 2.74 crores. Besides, a sum of Rs. 1.22 crores was paid to different State Governments towards sales tax.

The report called attention to the very high cost of aviation fuel which accounted for nearly 27.3 per cent of the total operating expenses of Indian Airlines as against eight to 15 per cent by other airlines of the world. Over the last 16 years, Indian Airlines had paid a sum of Rs. 24.08 crores, almost equal to its capital of Rs. 25.94 crores, towards duties on aviation fuel alone.

(**The Times of India**, New Delhi)

[Prev. ref. 9139:INI:X]

M. **Rajasthan Land Reforms Act Declared Invalid:** The Rajasthan High Court on December 16, 1969 struck down the Rajasthan Land Reforms and Acquisition of Estates Act as violative of Articles 14 and 31 of the Constitution.

Allowing the writ petitions filed by eight former rulers challenging the Act, Mr. Justice Vedpal Tyagi said that Chapters 4 and 6 and the Schedule of the Act were **ultra vires** the Constitution. Any action taken by the Government for acquisition of the petitioners' land under the Act would be hit as being taken under a law which was not enforceable.

He said the Act was silent on how the land acquired would be utilized by the Government. It did not give any indication of any agrarian reform which might require acquisition of land from the present owners.

The petitioners included Maharaja Man Singh, Mr. Chandraveer Singh, Mr. Laxman Singh, Mr. Raghunath Singh, Mr. Sunder Singh, Mr. Gaj Singh, Mr. Bhagwat Singh and Mr. Bhagat Singh, all former rulers of princely States.

(**The Statesman**, New Delhi)

[Prev. ref. 8879:INI:N]

N. **First Lt-Governor Of Manipur:** Mr. Baleswar Prasad was sworn-in in Imphal on December 19, 1969 as the first Lt-Governor of the Union Territory of Manipur.

He had been Chief Commissioner of the Territory earlier.

(**The Statesman**, Calcutta)

[Prev. ref. 9241:INI:G]

INDONESIA

A. **Danish Assistance:** Indonesia and Denmark have signed their first Aid Agreement under which the Danish Government will provide a 25-year long-term $4 million credit with seven years' grace period.

It will carry no interest. The credit will be used to buy machinery and other equipment needed for the extension of the cement plant in Padang, West Sumatra, electric transmission and distribution and establishing grain drying and storage.

(**The Indonesian Embassy**, New Delhi)

[Prev. ref. 8387:IND:A]

ISRAEL

A. **Hijacked Passengers Exchanged For Syrian Prisoners:** Two Israeli passengers who were in an American airliner hijacked by Arab guerrillas on August 29, 1969 and brought to Damascus were exchanged on December 5 for 13 Syrian prisoners.

The Syrians repatriated included two pilots who had landed their MIG-17s in Israel due to a navigation error in the Summer of 1968 (see page 8519).

The Arabs were handed over to the International Red Cross representatives at El Kuneitra, near the cease-fire line with Syria, after the two Israelis arrived in Athens. The Israelis, Dr. Shlomo Samueloff, professor of physiology at the Hebrew University and Mr. Saleh Muallem, travel agent, reached Lydda the same evening and were received by the Prime Minister, Mrs. Golda Meir, the Foreign Minister, Mr. Abba Eban and other members of the Government.

The Syrian decision to release the Israelis came after numerous threats by Israeli officials and mounting world pressure.

From the outset, TWA had maintained constant contact with the Syrians in order to secure the release of the two passengers. The airliner had been hijacked by two armed guerrillas from the Popular Front for the Liberation of Palestine, the extremist group, as it was on a flight from Rome to Athens.

Timed two weeks before Syria was to open her new international airport to American and other Western airlines, the incident came as a severe embarrassment to the Syrians. They held the two guerrillas for almost two months before allowing them to return to their bases in the Jordan Valley. The young woman who led the hijacking, Miss Leila Khalid, had since become a heroine in the Arab world.

(**The Times**, London)

[Prev. ref. 8842:ISR:A]

B. **General Election Results:** The country went to the polls on October 28, 1969 to elect the Seventh Knesset and 129 Local Councils. Eighty per cent of the electorate turned out, including a similar percentage of the 150,000 Israeli Arabs and Druze eligible to vote.

On the previous day (October 27), mobile polls went out to the front lines where, despite snipers' bullets and mortar shells, members of the Israeli Defence Forces cast their vote.

In the Jerusalem Municipal elections, some 10,000 Arabs from the eastern part of the city turned out at the polling booths.

Mrs. Golda Meir thus lost her overall majority in the Knesset.

Of the 1,758,658 eligible voters, 1,427,931 cast their votes. About 60,238 ballots were not valid or blank. The deposits on the three lists which did not receive the minimum of one per cent of the votes went to the Treasury.

The following is the distribution of votes and seats among the 16 lists that participated in the elections, as authorized by the Central Election Committee:

	Votes	**Percentage**
Alignment	632,035	46.22
Gahal	296,294	21.67
National Religious	133,238	9.74
Alignment-affiliated Arab and Druze lists	47,989	3.51
Agudat Yisrael	44,002	3.22
Independent Liberals	43,933	3.21
State List	42,654	3.11
New Communists	38,827	2.84
Poalei Aguda	24,968	1.83
Ha'olam Hazeh	16,853	1.23
Free Centre	16,393	1.20
Israel Communists	15,712	1.15
Land of Israel	7,591	0.55
Peace List	5,138	0.37
Young Israel	2,116	6.15

The following are the results of the elections to the Knesset (as compared to the previous Knesset):

	Seats at Dissolution of Sixth Knesset	**Seats in Seventh Knesset**
Alignment	63	56
Gahal	22	26
National Religious	11	12
Alignment Minorities	4	4
Agudat Yisrael	4	4
Independent Liberals	4	4
State List	1	4
New Communists	3	3
Poalei Agudat Yisrael	2	2
Free Centre	4	2

Ha'olam Hazeh	1	2
Israel Communists	1	1
Land of Israel	—	—
Peace List	—	—
Israel Hatzeira	—	—

Political Parties:

The parties contesting the 1969 elections were as follows:

1. Alignment for Unity of Israel's workers (Maarach).
2. Herut—Liberal Bloc (Gahal).
3. Israel Association (Religious) (Agudat Yisrael).
4. Independent Liberals.
5. National Religious Party (Mizrachi).
6. Israel Association of Workers. (Religious) (Poalei Agudat Yisrael).
7. Free Centre Party (Merkaz Hofshi).
8. Land Of Israel Party.
9. "State" List (AM).
10. Young Israel (Communal Group).
11. Co-operation and Fraternity (Arab).
12. Progress & Development (Druze).
13. New Communist Party.
14. Israel Communist Party.
15. "This World" List (Ha'olam Hazeh).
16. "Peace" List.

The following are the programmes of the parties, in the order of the numbers of their members in the Sixth Knesset. The definitions are as furnished by the parties themselves:

The Alignment for the Unity of Israel's Workers (Maarach), formed on May 19, 1965, consists of:

(1) Mapai, the Israel Labour Party (founded in 1930), which aims at the ingathering of the Jewish people, the reclamation and population of the Land of Israel; the development of a planned economy and encouragement of every constructive initiative, public and private, progress on the basis of social-democratic principles, peace with the Arab countries, founded on the territorial integrity of the Middle East States, friendly relations with all nations; co-operation with developing countries;

(2) Achdut Ha'avoda-Poalei Zion (founded in 1954), a pioneering Zionist party, standing for a planned economy, widespread agricultural settlement, activist defence policy; a foreign policy of non-identification; and friendship with all peace-loving peoples, particularly in Asia (member of Maarach);

(3) Rafi, the Israel Labour List (founded in 1965), stands for self-reliance in matters of national security; peace with the neighbouring countries from a position of strength; electoral reform aiming at the constituency system; universal secondary education; speedy modernization of the economy; and a democratic society with division of powers and social justice, (member of Maarach);

(4) Mapam, United Workers' Party (founded in 1948) is a Left-wing Zionist socialist party, aiming at the ingathering of the Jewish people, the realization of Socialism and the training of Jewish youth for pioneering settlement, Jewish-Arab working class solidarity, and permanent peace in the Middle East, based on neutrality of the whole region (member of Maarach).

The Herut-Liberal Bloc, founded on May 18, 1965, consists of:

(1) The Herut Movement (founded in 1948 by the Irgun Zva'l Leumi), which opposes the present **regime** and calls for the territorial integrity of Eretz Israel (Land of Israel) within its historical boundaries and for private initiative in the economic and social structure of the State;

(2) The Liberal Party, which stands for a liberal Welfare State; enactment of a written Constitution; a free enterprise economy of individuals and associations based on fair competition; depoliticization of the Civil Service, and electoral reform.

The National Religious Party, Mizrahi-Hapoel-Hamizrachi (founded in 1956) is based on the principle of religious Zionism, whose aims are: to promote the ethical and social values of Judaism in the life of the State; to foster legislation founded on the laws of the Torah; to develop the constructive work of religious settlement, education, trade union activities and absorption of immigrants.

The Independent Liberal Party stands for national unity and priority for national interests; freedom of the individual and social justice, equal rights for all economic sections; a democratic, liberal and social **regime** in order to create a Welfare State; the enactment of a Constitution and National Health Insurance.

Agudat Israel (founded in 1912) stands for the strictest observance of the Torah in the administration of the State, under the jurisdiction of rabbinical authorities; the promotion of traditional Jewish education through an independent system of schools and **yeshivot;** and State control of the health insurance funds.

Poalei Agudat Israel (founded in 1924) is a religious workers' movement with the object of upbuilding the State in the spirit of the Torah, protection of workers' rights, settlement and pioneering.

The Communist Party of Israel (founded in 1919—present name adopted in 1949), basing itself on Marxist-Leninist theory, aims at Socialism in Israel. It works for peace, independence and neutrality, democracy and social progress; equal rights for the Arab fopulation; peace with the Arab countries, and friendship with the Soviet Union and other Socialist countries.

Two lists contested the 1965 Knesset elections: the New Communist List and the Communist Party.

Arab Parties: Co-operation and Fraternity represents Druzes and Moslems in the Carmel area, Western Galilee and the central area; Progress and Development represents mainly Moslems and Christians in Central Galilee.

Ha'olam Hazeh—New Force (founded in 1965) is a non-party movement, founded by **Ha'olam Hazeh** weekly. It stands for separation of religion and State, equality for the Arab minority, neutralism in foreign relations, and peace based on co-operation between the Arab and Hebrew national movements.

The new parties contesting the election were:

1. Free Centre Party—which broke away from Herut in the Gahal Bloc.
2. Land of Israel Party—which bases its peace policy on the inclusion of all areas (occupied during the June, 1967 War) of Eretz Yisrael (Biblical Judaea and Israel) within the political borders of present-day Israel.
3. State List—led by former Prime Minister David Ben-Gurion and consisting of those remnants of Rafi Party that did not return to the Israel Labour Party.
4. Peace List—(Left-wing splinter) comprising "Matspen", a pro-Maoist and self-styled "Israel New Leftist" student group, together with a number of unaffiliated individuals opposed to the retention of any territory occupied in June, 1967.

Muslim Arab Elected Deputy Speaker:

On November 18, 1969, the Knesset (Parliament) elected a Muslim Arab Israeli farmer as one of its eight Deputy Speakers—the highest post in the land which an Arab has so far attained.

Mr. Seif El-Din Zuabi, the 56-year-old parliamentarian, told newsmen that as a member of an important Muslim minority in a non-Muslim State, he felt himself following in the footsteps of the late Indian President, Dr. Zakir Husain. "However, in everyday practical affairs, I would say that a Deputy Speakership carries wider practical connotations."

Mr. Zuabi represents a party of Arab and Druze Israelis affiliated with Mrs. Golda Meir's Left Alignment Faction. He has been active in Israeli politics since the State's establishment and has been Mayor of Nazareth where he was born.

Ministry Formed:

On December 11, 1969, Mrs. Golda Meir succeeded in forming a new Government and averting the threat of a long political crisis.

Mrs. Meir told President Shazar that she had formed a Government representing parties holding 102 of the 120 seats in the Knesset.

Final agreement by all the parties to the coalition was reached only hours before Mrs. Meir's mandate to form a new Government—following the October, 1969 elections—was due to expire.

The new Cabinet has 24 members against 22 in the last administration. Key posts remain unchanged with Gen. Moshe Dayan continuing as Defence Minister and Mr. Abba Eban as Minister for Foreign Affairs.

Earlier, Mrs. Golda Meir warned the Secretariat of the Labour Party that she might give up her efforts to form a new Government.

She insisted on the Deputy Prime Minister, Gen. Yigal Allon, also holding the Education portfolio with a member of the National Religious Party as Deputy Education Minister. [Gen. Allon had objected to having a deputy from that party.]

She warned that she may return her mandate to President Shazar.

The following is the composition of the Ministry:

Prime Minister: Mrs. Golda Meir—Labour (Mapai).

Deputy Prime Minister: Gen. Yigal Allon—Labour (Achdut Avoda).

Foreign Affairs: Mr. Abba Eban—Labour (Mapai).

Defence: Maj.-Gen. Moshe Dayan—Labour (Rafi).

Finance: Mr. Pinhas Sapir—Labour (Mapai).

Agriculture: Mr. Hayim Gvati—Labour (Mapai).

Labour: Mr. Yosef Almogi—Labour (Rafi).

Justice: Mr. Yaacov S. Shapira—Labour (Mapai).

Education: Mr. Yigal Allon—Labour (Achdut Avoda).

Housing: Mr. Zeev Sharef—Labour (Mapai).

Police: Mr. Shlomo Hillel—Labour (Mapai).

Without Portfolio: Mr. Israel Galili—Labour (Achdut Avoda).

Without Portfolio: Mr. Shimon Peres—Labour (Rafi).

Commerce and Industry: Mr. Yosef Sapir—Gahal (Liberals)

Transportation: Mr. Ezer Weizman—Gahal (Herut).

Posts: Mr. Elimelech Rimalt—Gahal (Liberals).

Development: Mr. Hayim Landau—Gahal (Herut).

Without Portfolio: Mr. Menahem Begin—Gahal (Herut).

Without Portfolio: Mr. Leo Doltzin—Gahal (Liberals).

Interior: Mr. Moshe H. Shapira—N.R.P.

Social Welfare: Mr. Yosef Burg—N.R.P.

Religious: Mr. Zerah Warhaftig—N.R.P.

Tourism: Mr. Moshe Kol—Independent Liberals.

Absorption: (Held for Mapam).

Health: (Held for Mapam).

Without Portfolio: Mr. Victor Shemtov—Mapam.

Without Portfolio: Mr. Israel Barzilay—Mapam.

(Jerusalem Post, The Times, London and **The Hindu,** Madras)

[Prev. ref. 8276:ISR:C, 8904:ISR:A]

KOREA (North)

A. **Release Of Three American Airmen:** Three Americans were released on December 3, 1969 after 3½ months of captivity.

They walked back to freedom at the border village of Panmunjom.

Their helicopter had been shot down on August 17, 1969 in the western sector of the demilitarized zone. The three men were: Capt. David Crawford, Warrant Officer Vernon Loepke, and Specialist Fourth Class Herman Hofstatter.

Gen. Adams said later that he had submitted a document to the North Koreans admitting that the UN Command had committed a "criminal act" by infiltrating into North Korea. He said he had signed the apology only to secure the release of the three men for humanitarian reasons.

The Command had made a similar apology to secure the release of the 81 crewmen of the spy ship **Pueblo** in December, 1968.

Gen. Adams, who said the airmen bore no signs of torture, told a news conference that Specialist Hofstatter was wounded when he was shot in the right knee as the helicopter was forced down by North Korean gunfire, and still had open wounds. Capt Crawford was shot in the back near the right shoulder, and Warrant Officer Loepke was shot near the left shoulder.

(The Times, London)

[Prev. ref. 8779:KRN:A]

KOREA (South)

A. **UN Aims Re-stated:** The UN General Assembly adopted on November 25, 1969 a resolution to continue the work of the UN Commission for the Unification and Rehabilitation of Korea (UNCURK).

It noted with approval the past work of the Commission.

The Assembly re-affirmed that the objectives of United Nations in Korea were to bring about "by peaceful means, the establishment of a unified, independent, and democratic Korea under a representative form of government, and the full restoration of international peace and security in the area."

The Assembly also noted that the Governments concerned were prepared to withdraw their remaining forces from Korea "whenever such action is requested by the Republic of Korea or whenever the conditions for a lasting settlement formulated by the General Assembly have been fulfilled".

(UN Newsletter)

[Prev. ref. 7525:AOA:A]

B. **North Korean Vessel Sunk:** The Counter-Espionage Operations Command in Seoul announced on October 14, 1969 that the Navy had sunk a heavily armed North Korean vessel carrying about 20 "spies" off the south-western coast.

The Command said that all the "spies" aboard the craft were believed to have been killed. There were no casualties on the South Korean side. It said the boat was sunk after Navy boats and Air Force jet fighters had given it a nine-hour chase and gun-battle.

The vessel was of the 75-ton class, capable of making 40 knots an hour and armed with an 88-mm recoilless guns, two rocket launchers, two 14.5-mm anti-aircraft guns and 157.62-mm machine guns.

(The New York Times)

[Prev. ref. 9073:KRS:A]

LAOS

A. Threat From Chinese Troops: In a Press interview made public on December 14, 1969, the Prime Minister, Prince Souvanna Phouma, disclosed the presence of Chinese troops in northern Laos.

He dismissed a claim by Thailand's Vice-Premier, Gen. Praphas Charusathien that two Chinese divisions had penetrated northern Laos. But he acknowledged that Peking had "four or five battalions with a few anti-aircraft guns" in northern Laos.

[Gen. Charusathien had expressed concern over the presence of Chinese troops in Laos, which he said "constitute a great threat for Thailand." The presence of several Chinese battalions in the north of the country had long been known and accepted in Vientiane. The Chinese were building roads along the border in pro-Communist Pathet Lao-controlled territory, *in line with an old* co-operation agreement between Laos and China.]

Prince Souvanna also acknowledged that small groups of North Viet-Namese troops had infiltrated through Laos into Thailand every month, but that his Government was unable to stop them.

Restriction On American Combat Troops:

Meanwhile, in Washington, the US Senate on December 15, 1959 resolved to forbid the Administration from committing American ground forces to any conflict in Laos or Thailand.

It was one of the few occasions in recent years that the Senate held a secret session presumably because its members were liable to discuss, in the course of debate, classified information having a bearing on national security.

It passed this resolution an hour before President Nixon was due to announce another major withdrawal of US combat forces from Viet-Nam. The resolution was carried by an overwhelming majority.

The extent of US involvement in Laos and Thailand was still a well-guarded secret from the American public. The Administration, for example, would only say that USA had no combat troops in Laos. Also an agreement that USA signed with Thailand was a classified document even for the Foreign Relations Committee of the Senate.

By adopting the resolution, the Senate made sure that it would not repeat the Gulf of Tonkin situation when it readily accepted the Administration's version of what had happened. Later, some of its members felt they had been too gullible and had authorised the Government to take the country into a war without any searching study of facts.

(The Hindustan Times,
New Delhi)

[Prev. ref. 9225:LAO:A]

LEBANON

A. New Cabinet: A new Cabinet was formed after a 10-hour marathon meeting on November 15, 1969 between the Prime Minister, Mr. Rashid Karame, President Charles Helou and the Speaker, Mr. Sabri Hamade.

The new Cabinet consists of 10 Ministers representing practically every political complex in Lebanon.

The composition of the Cabinet came about after a three-month Government crisis. Following successful Cabinet formation, Mr. Karame expressed the hope that the new team would obtain the support of all citizens in order to serve Lebanon and maintain her security and sovereignty.

Government Wins Confidence Vote:

The Government of Mr. Rashid Karame won on December 6, 1969 a vote of confidence in Parliament by 58 votes to 30.

Three deputies abstained and eight were absent.

The debate started when Mr. Karame presented a policy statement which defended the November Cairo Agreement with the Arab commando organization (see page 9296).

[The agreement had ended a seven-month crisis in the country over the extent of the commandos freedom to act from Lebanese territory and made the formation of a Government possible]

Background:

The Statesman correspondent from West Asia wrote on November 27, 1969: "The new Ministry formed by the Lebanese Premier, Mr. Rashid Karame, after a Government crisis of 225 days over the El Fatah commando issue looks more like a Cabinet re-shuffle and expansion than a regime of new orientation reflecting the impact of the 'Palestinian revolution.'

"In retrospect, it appears that neither the clash between the commandos and the security forces, nor the Cabinet crisis need have occurred. Old compromises, which governed security and ministerial arrangements, have only been renewed and weakened.

"The concessions made by the Lebanese Commander-General Emile Bustani, and the Palestinian leader, Mr. Yasser Arafat, have rendered the Cairo agreement less durable than the one that had been in force at the time of the previous crisis in April.

"Similarly, the Cabinet was the result of more temporary accommodations by the Right and Left-wing factions—a fact that could be seen from the initial failure of Mr. Karame to form a Government and the need for the appointment of a special five-man committee to select Ministers and assign portfolios.

"There are a few new faces in the Government. Most Ministers had at some time or other held the portfolios now given to them."

(**The Times**, London, **The Statesman**, Calcutta and **The Hindu**, Madras)

[Prev. ref. 8806:LEB:A, 9294:LEB:A]

MALAYSIA

A. Import Duty Raised: Increases in duty on imports were announced on September 11, 1969.

They covered a wide range of consumer goods from chocolates and cocoa to cooking ranges and extended to small vessels and boats with less than 25-ton gross weight.

Increased duties were imposed on imported vegetables, meat and fruits to meet the severe competition from China which had been dumping its canned products on Malaysian markets to the detriment of local producers.

The Government also offered pioneer status or investment tax credit if a modern plant was established in the country to manufacture these products.

Among consumer items on which import duties were increased were: weighing machines and scales, wooden and steel furniture, diesel engine and certain types of motor pumps, gas-operated stoves and cooking ranges, telephone equipment and locks and padlocks.

(**The Times**, London and **The Hindu**, Madras)

[Prev. ref. 8093:MAL:A]

70451

PAKISTAN

A. Three Political Concessions—Gen. Yahya Khan's Broadcast: In a broadcast to the nation on November 28, 1969, the President and Chief Martial Law Administrator, Gen. A. M. Yahya Khan, in a major concession to critics promised General Election on a "one man, one vote" basis on October 5, 1970 and dissolution of the One-Unit West Pakistan Province.

West Pakistan—divided from East Pakistan by 1,000 miles of Indian territory—he said, would be split into four separate new provinces, in line with demands from its minority areas—Sind, Punjab, Baluchistan and North-West Frontier.

[The announcement represented fulfilment of the major demand of political leaders of the two Wings. All political groups had been demanding Elections which will usher in civilian rule after more than 11 years of military rule, first under F-M. Ayub Khan. The dissolution of the One-Unit, leading to restoration of the different provinces which hold existed at the time of the creation of Pakistan, would meet a long-standing demand of West Pakistan's different linguistic and ethnic groups. Acceptance of the principle of "one man, one vote" would give the more populous East Pakistan a larger say than at present in national affairs. The Constitution given by President Ayub Khan had imposed parity of representation between the East Wing and the less populous West Wing.]

Gen. Yahya Khan said that elections to the Provincial Assemblies would be held after the National Assembly completed its task of Constitution-making. It would be required to finish the work within 120 days of its first sitting.

The Martial Law authorities, he added, had decided to take the initiative to solve the constitutional problem because there was no consensus on it among the political parties.

Political parties would be allowed to resume their activities from January 1, 1970.

Giving the time-table for the Elections preparatory to the change-over to popular government, Gen. Yahya Khan said the provisional legal frame-work for holding the Elections would be ready by March 31, 1970. Electoral rolls would be ready by June, 1970. With the compilation of these rolls, the Election Commissioner would be engaged in delimitation of constituencies for both Central and Provincial elections.

If the Constituent Assembly was unable to complete its task within the stipulated period, it would stand dissolved, and the nation would have to elect a fresh Constituent Assembly.

Gen. Yahya Khan said that he took the initiative to evolve a legal frame-work for the Elections as other alternatives were not found feasible.

Electing a Constitutional Convention to prepare a new Constitution would mean holding another election to the National Assembly based on the Constitution. Revival of the 1956 Constitution was opposed in both Wings of the country because of certain features like the One-Unit system. A third alternative was to frame a Constitution and have a referendum in the country. This, too, had certain practical difficulties.

Gen. Yahya Khan said that his decision to scrap the One-Unit was based on the "overwhelming consensus" in West Pakistan in favour of the step.

He began his broadcast by saying that the country was in the grip of serious economic difficulties, particularly in East Pakistan where the food situation was very serious. The Government was importing food from all available sources for East Pakistan to tide over the difficulty.

On widespread corruption among Government servants, he said the Government had decided to take action against a number of officials under Martial Law Regulations.

He hoped the high-powered committee going into re-organization of the structure of the civil services would submit its recommendations shortly.

He said that three issues had to be settled before an election could be held. Besides the dissolution of the One-Unit scheme, the two other demands were elections on the basis of "one man, one vote" and greater provincial autonomy.

"One man, one vote" was a democratic principle and was unanimously demanded by people in both Wings. Therefore, he had decided that the election to the National Assembly would be held on that basis.

The people of East Pakistan felt that they did not have their full share in the decision-making process on national issues. They were fully justified in entertaining this feeling. The solution to this question would appear to be to give maximum autonomy to the two Wings without impairing national integrity and solidarity.

One of the main aspects of the relations between the Centre and the States lay in the financial and economic spheres. This matter would have to be settled in such a way as to satisfy the legitimate demands of the Provinces without affecting the vital requirements of the nation as a whole. There was no reason to think that the people of the Provinces would not be able to work this out satisfactorily.

He said that one of the most important problems which had been agitating his mind was the mode of transfer of power to people's representatives. But this aim could not be achieved without a legal frame-work which was not available to them today. It was, therefore, necessary for him, both as the President and Chief Martial Law Administrator, to take an initiative in this matter.

He said he could think of four possible alternatives whereby the legal frame-work for the holding of elections could be evolved.

One method could be to have an Elective Convention to produce a new Constitution and then dissolve itself. The main disadvantage of this would have been that it would have involved two elections—one election to the Convention and the other to the National Assembly based on the Constitution made by such a Convention. A more serious disadvantage of this procedure would have been that it would cause unnecessary delay in the transfer of power.

The next alternative was to revive the 1956 Constitution, but there was wide opposition to the adoption of such a method in both Wings of the country as certain features of the Constitution such as One-Unit and parity were no longer acceptable to the people.

The third alternative was to frame a Constitution and have a referendum on it in the country. The simple "yes" or "no" by way of answer could not possibly be given by the people to such a comprehensive document as a Constitution.

The fourth was to evolve a legal frame-work for holding elections to the National Assembly.

He said that after careful thought he had decided to adopt the fourth alternative. On constitutional issues, like parliamentary federal form of government, the adult franchise, fundamental rights of the citizens, and their enforcement by law courts, independence of the judiciary and its role as the custodian of the Constitution and the Islamic character of the Constitution, there was no disagreement. These should be considered as settled.

But, the three main issues before the nation were the question of One-Unit, the issue of "one man, one vote" and the relationship between the Centre and the federating Provinces.

On the question of One-Unit, he felt there appeared to be a genuine desire to go back to the system of separate provinces instead of retaining the present arrangements of One-Unit for the whole of West Pakistan. Accordingly, he had decided that One-Unit would be dissolved and separate provinces would come into being.

Similarly, in deference to the wishes of the people, he had accepted the principle of "One man, One vote" and this democratic principle would be the basis of election for a future National Assembly.

The requirement for the third issue was the maximum autonomy to the two Wings of Pakistan as long as it did not impair the national integrity and solidarity of the country. He felt that the people of two religions of Pakistan should have legislative powers and control over their economic resources and development so long as it did not adversely affect the working of the *national Government at the Centre.*

He said there was no reason why they should not be able to work out a satisfactory relationship between the Centre and the Provinces when the people of both Wings would live together as equal and honourable partners.

He also announced that full political activities would be allowed in the country from January 1, 1970. The Martial Law Regulation prohibiting such activity would be duly withdrawn. He however, pointed out that he was not prepared to tolerate any obstruction in the restoration of democracy, but political activity must conform to certain norms of behaviour. He would issue certain guidelines about this in the near future.

He concluded by saying that democracy was the guiding force during the movement of Pakistan and he sincerely wished to adhere to the democratic principles. He said he had full faith and confidence in the people and the destiny of "our country" which was created on the basis of "our ideology" and after the sacrifices of the lives of 1,000,000 Muslims.

(**The Pakistan Times,** Lahore, **Pakistan News,** New Delhi and **The Times of India,** Bombay)

[Prev. ref. 9229:PAK:B, 9272:PAK:A]

B. **Pathans' Demand For Refugees' Rehabilitation:** Pathan leaders urged the Government on November 30, 1969 to rehabilitate 800,000 of their Pushtu-speaking tribesmen who had migrated to Karachi and might be pushed out as political undesirables.

Their migration had been encouraged by former President Ayub Khan who had sought to establish a strong Pathan community in Karachi to counter Karachi's notorious opposition to his autocratic rule. The tribesmen were favoured with employment in industries as taxi and pedicab (rickshaw) drivers and used to subdue the city's large refugee population. In 1964, F-M Ayub Khan's son had even led a band of Pathans on a punitive mission against the refugees of Lallakhet Colony. The refugees had voted over-whelmingly for the Opposition candidate, Miss Fatima Jinnah, in that year's Presidential election.

During the riots early in 1969, as F-M. Ayub Khan's regime began to crumble, Pathan rickshaw drivers were mobbed and their vehicles set on fire. But the fierce mountain warriors had retaliated with violent raids that saw blood spilled in the Empress Market area and the thickly populated refugee district of Lyari and Lasbella. A major bloodbath was prevented by the timely imposition of Martial Law that kept the Pathans from marching with bared knives down the city's main streets to crush all opposition to F-M. Ayub Khan.

Yet, dividing West Pakistan into four Provinces as announced on November 28, 1969, could see the 800,000 Pathans in Karachi pushed out.

Feeling vulnerable without F-M. Ayub Khan, the Pathans recently formed an All-Pakistan Pakhtoon League whose leaders had urged the Government to "take immediate steps" to rehabilitate the large number of "Pakhtoons" in the city.

(**The Statesman,** New Delhi)

[Prev. ref. 9229:PAK:A]

C. **Defence Forces' Strength:** According to deduction from data disclosed in the latest issue of the annual publication, **The Military Balance, 1969-70,** issued by the Institute of Strategic Studies, London, Pakistan spends proportionately more on defence than India does, taking into account the area, population, gross national product or borders of the countries.

The Institute's figures revealed that Pakistan's regular armed forces represented 1.7 per cent of its estimated total of 19,270,000 men of military age (18-45). The Indian percentage was nearly half that of Pakistan.

According to the publication, the total strength of Pakistan's armed forces, based on data brought up-to-date in July, 1969, was 324,000 (including 25,000 "Azad Kashmir" troops). In addition, Pakistan had 700,000 para-military troops and 4,000 trained reservists.

The corresponding figures for the Indian armed forces were 925,000 men, a 100,000-strong para-military force and 100,000 trained reservists.

The break-up of man-power figures of the regular fighting forces of Pakistan and India were as follows: Army 300,000 and 848,000; Navy 9,000 and 20,000; Air Force 15,000 and 57,000.

On the basis of these figures, the total strength of Pakistan's armed forces, as in July, 1969, was 36.1 per cent of that of the Indian armed forces (excluding police, border guards and other para-military units in both cases).

According to the Institute, Pakistan spent 3.7 per cent of its Gross National Product (GNP) on defence in 1968, while India spent less, namely, 3.6 per cent. In terms of **per capita** expenditure on defence, India spent less, the figures for 1968 being five per cent for Pakistan and three per cent for India.

Pakistan increased its defence expenditure by five per cent—from $514 million in 1968 to $542 million in 1969—while India raised its arms spending by 2.6 per cent from $1,462 million to $1,491 million. The above figures were calculated by the Institute on the basis of the prevailing exchange rate of 4.8 Pakistani rupees and 7.5 Indian rupees for a US dollar.

While the publication gave detailed statistics relating to military hardware in respect of the Indian Army, specifying the number of units under each variety of arms received from foreign countries, it merely mentioned that Pakistan had four armoured (**Sherman** and **Patton**), Soviet (T-54 and T-55) and Chinese tanks and other equipment, the number of units being unspecified.

The publication also mentioned that the approximate number and cost of arms being supplied to Pakistan by the Soviet Union under two "unidentified" Agreements since July, 1968 were "not available". But it did say that 200 units of 100-mm field artillery and an unspecified number of MIG-19, MIG-21 and IL-28 aircraft besides T-54:55 medium tanks supplied to Pakistan by the Soviet Union were expected to be in service during 1969.

In addition to 9,000 men in the Navy, Pakistan had a Coast-Guard of 1,500 men.

Pakistan's fleet consisted of four submarines (including three **Daphne** class submarines on order from France), two large destroyers, three destroyer escorts, two anti-submarine warfare frigates, eight coastal mine-sweepers, four fast patrol boats and two small patrol boats.

The fleet was supported by naval aircraft including **Albatross** and "some" UH-19 helicopters for air-sea rescue.

The above data relating to the armed strength and defence expenditure had to be viewed in the light of the fact that Pakistan had less than a fifth of India's population and less than a third of its land area, a fraction of the length of coastline and international frontiers and no island possession in the Indian Ocean.

(**The Times,** London and **The Statesman,** Calcutta)

[Prev. ref. 8755:PAK:E, 8847:INI:C, 9255:INI:B]

D. **Alleged Attempt On Mr. Z. A. Bhutto's Life:** The former Foreign Minister, Mr. Zulfikar Ali Bhutto, escaped an assassination attempt during a political tour of West Pakistan on November 28, 1969.

Mr. Bhutto was said to have been attacked by 40 men in a truck as he was driving with his associates from Sadiqabad to Multan, 120 miles south-west of Lahore. Four of his associates were hurt.

Mr. Bhutto, leader of the Leftist People's Party, was a key figure in student and Left-wing riots which brought down former President Ayub Khan in March, 1969.

He said later that his attackers belonged to a party which was exploiting the people in the name of religion. But he did not name it.

Police were reported to have arrested 23 persons for rioting and making an attempt on the life of Mr. Bhutto.

(**The Pakistan Times,** Lahore)

[Prev. ref. 8844:PAK:A]

E. **New Tangail District:** A new district of Tangail came into being on December 1, 1969 in East Pakistan.

Tangail, a sub-division of Mymensingh district with 1,800,000 population thus became East Pakistan's 19th district. It is about 60 miles from Dacca. The new district headquarters are being built half-a-mile away from the old sub-divisional headquarters at a cost of nearly $6.3 million.

At the inaugural ceremony, the Governor, Vice-Admiral S. M. Ahsan said that the establishment of the new district demonstrated the Government's desire to bring the decision-making authority as near to the people as possible.

(**Pakistan News,** New Delhi)

F. **IDA Assistance:** The International Development Association (IDA) on December 10, 1969 announced a credit of $800,000 to finance the foreign exchange costs of engineering services for the East Pakistan Water and Power Development Authority.

The credit will be for 10 years, including a two-year grace period. It will be interest-free, but a service charge of three-fourths of one per cent will be made to cover IDA's administrative costs.

Water development is vital to East Pakistan. For half the year the Province is subjected to heavy rainfall and floods. In the other half there is so little rainfall that about two-thirds of the cultivated land is left fallow. Although the Province is predominantly agricultural, population growth is outpacing production and food imports have been steadily increasing.

IDA has so far helped to finance three water development projects in East Pakistan with credits totalling $11.25 million. In September, 1967, the World Bank established a special group to assist East Pakistan in its agricultural and water development. The project for which engineering services will now be provided has the support of that group. It is the Dacca South-west Irrigation Project for which an initial feasibility study has already been completed and an expanded one is underway. This project will provide flood control, drainage, irrigation and internal navigation for an area of about 400,000 acres. With the use of fertilizer and improved varieties of rice, the works will make possible the tripling of rice yields in the project area.

The project is estimated to cost a total of $1,430,000. The Government of East Pakistan will finance the local currency costs of $630,000. The project will be executed by the East Pakistan Water and Power Development Authority, a semi-autonomous body charged with coordinating the development and utilization of East Pakistan's water and power resources.

(**IDA Press Release**)

[Prev. ref. 8809:PAK:B]

SOUTH YEMEN

A. **Border Oasis Overrun By Saudi Arabia:** Saudi Arabia claimed on December 5, 1969 victory over South Yemen in the ten-day-old war over a tiny oil-rich border oasis.

Riyadh Radio broadcast an Army **communique** saying: "Saudi forces have overrun South Yemen's last defences in the embattled Wadiyeh oasis and taken up positions along the South Yemen north-eastern frontiers.

"All Saudi areas invaded by South Yemeni forces 10 days ago are now completely purged of the aggressors."

It, however, said that King Feisal had ordered his troops to "stand put along South Yemen frontiers", overriding earlier appeals by Generals to extend the conflict beyond the border.

The South Yemen Defence Ministry said on November 26, 1969 that 18 Saudi Arabian troops and officers were killed or wounded in fierce border fighting between the two countries.

It said that the South Yemeni forces suffered no casualties in the fighting around the Madieah border post along the common frontier between the two sides.

Fresh fighting had flared up when Saudi Arabia moved up heavy artillery to support its troops repulsed earlier in the day by South Yemen forces. Saudi Arabian weapons and equipment were seized in the fighting.

South Yemen's Foreign Minister, Mr. Al Salem Al-Baidh, blamed USA for the border fighting.

Aden Radio said that Mr. Al-Baidh summoned foreign diplomats to his office and told them that "American imperialism" had instigated the fighting in retaliation for South Yemen's severance of diplomatic relations with USA.

South Yemen had severed diplomatic ties with USA on October 24, 1969 in protest against alleged US hostility towards progressive Arab States.

Envoy's Statement:

In New York, the South Yemen Ambassador to UN, Mr. Hismail Saed Noaman, said on November 26, 1969 that Saudi Arabian troops had invaded his country.

Talking to correspondents, he said he had received the report from his Foreign Ministry in Aden, but did not plan to raise the matter in UN.

Mr. Noaman said that Saudi troops had crossed the northern frontier of his country and moved into the empty district of Hardamauth. The village of Wadieah was nearest to the invasion point. Several Saudi Arabian Officers and soldier had been arrested and the matter had been "urgently referred" to the Arab League in Cairo.

Saudi Arabia said on November 27, 1969 that South Yemeni troops supported by armoured cars had occupied the Saudi border post of Wadieah.

A statement by the Saudi Arabian Interior Ministry issued by the Saudi Embassy in Beirut said that South Yemeni troops took the position, on the common border between the two countries, after a heavy clash with Saudi defenders.

The fighting continued on November 27, 1969 on the harsh and desolate border region 400 miles north-east of Aden. As fighting continued around the border post at Wadeiah, South Yemen lodged an official protest with the Arab League in Cairo accusing Saudi Arabia of aggression.

Fresh fighting broke out between Saudi Arabia and South Yemen on November 28, 1969 and military spokesman said in Aden that South Yemeni troops had taken over the disputed Wadeiah border post.

On November 30, 1969, Saudi Arabian troops, supported by tanks, planes and heavy artillery, launched another attack on the South Yemeni border post of Wadeiah. The fighting was "ferocious."

On December 16, 1969 South Yemen's Armed Forces Commander, Lt.-Col Ali Abdulla Maiseri, and his Chief of Staff, Lt-Col. Mahdi Oushaish, were dismissed. Col. Maiseri was replaced by the legendary National Liberation Front member, Mr. Ali Saleh Antar.

(**The Times,** London and **The Hindu,** Madras)

[Prev. ref. 8243:YEM:A]

B. **Nationalization Of Foreign Firms:** The Chairman of the Presidential Council, Mr. Salem Rabyee, announced in Aden on November 27, 1969 nationalization of 36 foreign firms, including four British banks.

British, French, US, Jordanian, Pakistani, Indian and South Yemeni firms involved in banking stevedoring, foreign trade, insurance and the marketing of petroleum products were affected.

The oil and lubricant marketing organizations of British Petroleum (BP), Shell, Mobil, Esso and Caltex were nationalized, although British and US investments in petroleum refineries, bunkering in Aden harbour and aviation-fuel operations were not affected. BP's $6.72 million refinery was also spared.

The eight foreign banks in the country will be formed into one "National Bank of South Yemen." Four of them are British—National and Grindlays, Chartered Bank, Eastern Bank and the British Bank of the Middle East—and the others are the Jordan-based Arab Bank, the Bank of India and the Pakistani Habib Bank.

The announcement was made over the radio by Mr. Rabyee following 13 days of meetings of the general command of the ruling National Liberation Front.

He said that shareholders and owners of the nationalized concerns would be compensated by bonds payable after 20 years at an annual interest of 2 per cent. These were the only nationalizations the Government planned, and they had to be done "once and for all."

(**The New York Times**)

[Prev. ref. 8382:SYM:A]

SYRIA

A. **Cultural Pact With Hungary:** A Cultural Co-operation Agreement was signed in Damascus on October 1, 1969 under which Hungary will grant Syria 30 scholarships during 1970 and 1971.

The Agreement provides for scientific and cultural co-operation between the Ministries of Education in both countries, the exchange of documentary films and cultural publications and co-operation in the fields of radio and television.

(**The Egyptian Gazette,** Cairo)

THAILAND

A. **ECAFE Plans For Iron And Steel Institute:** It was officially announced by the UN Economic Commission for Asia and the Far East (ECAFE) in Bangkok on November 7, 1969 that a South-East Asia Iron and Steel Institute, designed to further the development of iron and steel industries to encourage regional co-operation and to aid in advancement of technology, would be formally inaugurated in October, 1970 to coincide with the 25th anniversary of UN.

This decision was contained in a report adopted by representatives from eight countries in the region at a meeting held in Bangkok from November 3 to 7, 1969.

Pending formal inauguration of the Institute, the ECAFE secretariat was asked to provide services for preparatory work.

Under a Constitution drawn up at the meeting, the Institute's member-nations will be Formosa, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Supporting member-nations will be Australia and Japan.

In addition, the Institute will have various categories of membership for iron and steel enterprises, governmental bodies, associations of producers, technical societies, and individuals.

The objectives of the Institute "shall be to further the development of iron and steel industries within its member-nations and, to this end, to encourage regional co-operation between each of its member-nations and supporting member-nations."

In accordance with these objectives, the Institute may, among other activities:

(1) Provide a forum for the exchange of knowledge and discussion of problems relating to all aspects of the development of the iron and steel industries in its member-nations;

(2) Provide advisory services and carry out, commission, or promote the study of scientific, technological and economic aspects of iron and steel industry development in its member-nations;

(3) Encourage the establishment and extension of training programmes for all categories of iron and steel industry personnel employed in the member-nations of the Institute.

(**UN Newsletter**)

[Prev. ref. 9189:THI:A]

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INDIA

A. New Chief Of Naval Staff: It was announced in New Delhi on November 15, 1969 that Vice-Admiral S. M. Nanda would be the next Chief of the Naval Staff with the rank of Admiral in succession to Admiral A. K. Chatterjee.

Vice-Admiral S. M. Nanda is now Flag Officer Commanding-in-Chief, Western Naval Command. He will take over on March 1, 1970.

[Born in 1915, Admiral Nanda joined the Royal Indian Naval Volunteer Reserve in October, 1941. Earlier, he had served with the Karachi Port Trust. Since Independence in 1947, Admiral Nanda has held important appointments both ashore and afloat. In 1948, he joined the Navy's first cruiser **Delhi** in UK as her First Lieutenant. On his return to India, he served as Director of Personnel at Naval HQ for two years. Later, he commanded the destroyer **Ranjit** as also the frigate squadron. Posted back to Naval HQ, he became Chief of Personnel and was promoted Commodore. In 1957, he commissioned the cruiser **Mysore**. Subsequently, he was appointed Director-General, Naval Dockyard Expansion Scheme. He was awarded the Ati Vishisht Seva Medal in 1961. Thereafter, he underwent a course at the Imperial Defence College, London, returning to Naval HQ as Chief of Material. He became Deputy Chief of the Naval Staff in May, 1962 in the rank of Rear-Admiral. He was appointed Managing Director of the Mazagon Docks, Ltd., in December, 1964 and was responsible for giving the Mazagon Docks re-organization scheme and the **Leander**-class frigate project a good start. He was awarded the Param Vishisht Seva Medal for "distinguished service of a very high order" in 1966. In June, 1966, he took over as Flag Officer Commanding the Indian Fleet and came ashore in February, 1968 as Flag Officer, Bombay. On March 1, 1968, with the re-organization of the naval commands, he was re-designated Flag Officer Commanding-in-Chief, Western Naval Command, and promoted to the rank of Vice-Admiral].

(**The Statesman**, New Delhi)

[Prev. ref. 8649:INI:L, 8902:INI:T]

B. Bank Of Behar Merged With State Bank: The Government of India announced on November 7, 1969 that the Bank of Behar Ltd., which was under a moratorium since August 9, would be amalgamated with the State Bank of India on November 8.

According to a Finance Ministry notification, all the 28 branches of the Bank, including three in Uttar Pradesh and one in Calcutta, would function as full-fledged branches of the State Bank of India from November 8.

(**Indian Nation**, Patna)

[Prev. ref. 9150:INI:C]

IRAN

A. Earthquake: What was described as one of history's strongest earthquakes rocked many towns and villages in the southern part of Iran on November 7, 1969.

The Tehran University Geophysics Institute said that "one of history's strongest earthquakes" occurred along a line between the northern corner of the Black Sea, bordering Turkey and Russia, extending towards Tehran and south-eastwards to Zahedan, Baluchistan and the Gulf of Oman.

The quake was recorded more than 1,500 km from Tehran. It caused no damage or casualties, according to a Government announcement broadcast over **Tehran Radio.**

(**Tehran Radio**)

[Prev. ref. 8539:IRN:A]

IRAQ

A. Presidential System Of Government Introduced: A constitutional amendment on November 10, 1969 introduced a presidential system in Iraq, abolishing the post of Premier and delegating his powers to the President.

The new amendment gave President Ahmed Hassan el Bakr absolute powers. It made him the chief executive, Commander-in-Chief of the armed forces and head of the National Council of the Revolution Command (NCRC) with full powers to appoint and dismiss Ministers.

The NCRC, however, retained legislative powers. It will also elect the President.

Revolution Council Expanded: That the 16-month-old Baathist

regime had abandoned all efforts to revive the legislative apparatus in the country was indicated by the "constitutional amendments" formalizing a Presidential form of government which pack the expanded Revolution Command Council with civilian Baathist leaders. (Iraq has not had a regular Parliament since 1958.)

The Baathists came to power in mid-July, 1968 with the help of non-Baathist "young turks" from the Army, but eliminated them by the end of the month. The Baathists then tried unsuccessfully to woo Opposition leaders, especially the Communists. When they failed, they launched a terror campaign in which Communists were suppressed and other Opposition leaders jailed or hanged on charges of corruption and espionage. Fifty-four men were sent to the gallows this year.

Under the new form of Government, Gen. Hassan Al Bakr, who had been both President and Premier, was called simply President, Nothing was said about the new designations of Gen. Saleh Mahdy Ammash and Gen. Hardan Takriti, who had been Vice-Premiers.

The Revolution Council had five members—all from the military wing of the Baath—including Gen. Bakr and Gen. Ammash who were also members of the Regional Command of the Baath. The Council's strength had now been increased to 15. Of the 10 new members, nine were from the Baath regional command and one from the Pan-Arab Command.

Two features of this change were: Gen. Ammash, who had been Vice-President of the Council, was now superseded by a civilian, Mr. Saddam Al Takriti, Assistant Secretary-General of the party. Secondly, there was a preponderance of civilians in the new Council.

(**Baghdad Radio** and **The Times of India,** New Delhi)

[Prev. ref. 8496:IRQ:A, 8595:IRQ:A]

B. Eight More Persons Convicted Of Spying: It was disclosed on November 20, 1969 that eight more Iraqis, one of them a Jew, had been secretly executed in Baghdad after being convicted of spying for Israel.

A released prisoner, who was not identified for fear of reprisals against his family, also reported that the former Prime Minister, Mr. Abdul Rahman Bazzaz, had been jailed for 30 years on two charges of plotting to overthrow Iraq's Leftist **regime.**

(**The Hindustan Times,** New Delhi)

[Prev. ref. 9183:IRQ:B]

ISRAEL

A. West Asia Fighting: Arab guerrillas threw a grenade at the headquarters of the Israeli Military Governor of the occupied west bank in east Jerusalem on November 1, 1969 as Israelis rounded up dozens of Arabs in anticipation of Balfour Day demonstrations throughout the west bank of Jordan.

Israeli forces killed 11 Arab guerrillas on the west bank of the Jordan River as fighting flared up along the Suez Canal on November 1.

In Amman, a Jordanian military spokesman reported a clash on November 1 with "the enemy", during which Jordanian forces were fired on with automatic weapons, mortars and tanks.

Israeli jets struck at UAR military targets in the southern sector of the Suez Canal in a 30-minute daylight raid on November 5. The air strike blasted the same area where earlier a party of UAR raiders had crossed the Canal and ambushed an Israeli patrol, killing two soldiers and wounding two others. A fifth soldier was reported missing, believed captured. All Israeli aircraft returned safely to base.

Next day (November 5), UAR raiders crossed the Suez Canal for the second time in two days and attacked an Israeli Army convoy across from Port Suez. One wounded UAR soldier was taken prisoner. There were no Israeli casualties or damage to the convoy. Cairo claimed that its anti-aircraft batteries shot down an Israeli aircraft over the Suez Canal.

On November 6, Israeli aircraft attacked El Fatah guerrilla bases in the Arab al Mazra area of Jordan. The raid lasted 15 minutes and followed shelling by Jordanian positions.

On November 7, Israeli jets blasted targets on two fronts, shooting at Arab guerrillas over the Jordan River and attacking UAR artillery positions across the Gulf of Suez. Earlier in the day, Israeli planes attacked Jordan-based guerrillas.

On November 8, UAR naval units bombarded Israeli targets north of Sinai. It was believed this was the first time UAR naval units had taken part in military operations since the six-day war in June, 1967.

Israeli aircraft went into action on November 8 against five UAR ships shelling the western part of El Qantara to El Arish Road in northern Sinai, about 20 km east of the Suez Canal.

A Cairo military spokesman said that the shelling, by two destroyers and three smaller ships, lasted for 30 minutes, but caused no casualties or damage.

A UAR military spokesman said that two Israeli war planes were shot down by UAR jets during an aerial fight over the Suez Canal on November 11.

The announcement, broadcast by **Cairo Radio,** said: "Tweleve Israeli planes attempted to violate UAR air-space south of the Suez, but were immediately intercepted by our war-planes." It added that one Israeli plane plunged into the Gulf, while another fell earthwards in flames. One UAR jet was lost during the fight.

On November 13, Israeli aircraft bombed Jordanian positions which had opened up with bazooka and automatic weapons on an Israeli patrol.

The Palestinian armed struggle command said on November 15 that El Fatah commandos had blown up a pipeline complex in Israel carrying oil from Haifa to a storage tank.

El Fatah snipers also killed three Israeli soldiers in the northern Jordan valley. They also blew up water pipelines east of El Arish in the Gaza Strip. They scored direct hits in a rocket attack on All Metulla in northern Israel.

A UAR military spokesman said in Cairo that UAR frogmen had carried out raids on Israeli ships in Eilat, at the head of the Gulf of Aqaba on November 16.

The spokesman said in a **communique** that the attack was carried out by special naval units who were first landed in an aircraft just outside the Red Sea port. They planted explosives on three Israeli vessels anchored in the port. The three ships sank. The raid was carried out at dawn and was in retaliation for recent Israeli attacks on UAR positions along the Suez Gulf from the port of Eilat.

An Israeli military spokesman in Tel Aviv declined to comment on the Cairo claim that the attack was carried out by frogmen from the UAR Naval Air Service.

Artillery clashes across the Jordan, also on November 16, flared to a scale they had not reached for months, with five exchanges of fire between Israel and Jordan in less than 24 hours.

An Amman spokesman said that two Jordanian civilians were killed and six wounded on November 16 in a raid by two Israeli jet fighter planes on a highway at Shouneh, in the north Jordanian valley. He said that Israeli forces shelled Shouneh and Baquorah, also in the northern valley. Jordanian forces returned the fire and the artillery duel continued for five minutes.

The raid followed a mortar barrage on Israeli military positions in the Ashdod-Yaacov area earlier on November 16. The mortars caused no casualties.

The stepped-up tempo of the artillery duels came as underwater explosions were reported to have slightly damaged two Israeli ships in Eilat, only six miles west of the Jordanian port of Aqaba.

According to Israeli military sources, Arab saboteurs blasted five holes under the waterline of two Israeli ships anchored in the Red Sea port. The first explosion ripped a hole in the hull of the **Hey Daroma,** a 1,800-ton converted Scottish steamer, which plies passengers between Eilat and Sharm El Sheik at the southern tip of the occupied Sinai desert. The second charge, five minutes later, punctured the freighter **Dalia,** a 13,700-ton vessel of the Israeli merchant marine. The ship was scheduled to leave for the Far East with a cargo of phosphates.

On November 22, about 60 UAR commandos, under cover of a heavy artillery barrage, crossed the Canal and stormed an Israeli tank base at el-Ballah.

In Tel Aviv, an Israeli Army spokesman said that Israeli jets carried out the fiercest-ever night raid along a 70-mile stretch of the western bank of the Suez Canal on November 22.

On November 23, Cairo said, that a UAR Army unit crossed the northern sector of the Suez Canal for the second consecutive day and attacked an Israeli tank, killing its men.

On November 24, UAR planes attacked Israeli positions along the Suez Canal.

Tel Aviv said: "A number of Egyptian planes attacked between El Qantara and Balusa in the northern Canal sector and wounded one Israeli civilian in a strafing run at a quarry."

Gen. M. Dayan On Punitive Operations:

The Defence Minister, Gen. Moshe Dayan, told a news conference in Tel Aviv on November 13, 1969 that "neighbourhood punishment", not collective punishment, was the "Government's latest answer to Arab terror."

Hitherto, the Israelis had blown up Arab houses only after arms of terrorists had been found in them. But now, under the new policy, the neighbours were being held responsible for terrorist activities.

Gen. Dayan, who previously had prohibited the disclosure of figures for punitive demolitions ordered by the military Government, said that 140 houses had been blown up since April 1 in the West Bank and the Gaza Strip. He added that demolitions were not the only punishment. Curfews were being imposed, transport permits for journeys across the Jordan River bridges suspended and entrances to shops bricked up.

He said that in material matters, there had never been greater normality in the occupied areas, but emotionally the Arabs felt more respect for the terrorists and co-operated with them. They wanted their schools to function, they wanted jobs in Israel and freedom to cross the bridges to Jordan, yet at the same time they expected Israel to tolerate terrorists in their midst.

He said that Israel would not allow the continuation of a situation such as existed in Jordan or Lebanon. The Arabs would have to choose between terrorism and normality. Any town or village that did not want terrorists had it in its power to eject them. He also noted that 20,000 Arabs who worked in Israel were not deterred by terrorist bombs at labour exchanges and attacks on buses taking them to their jobs.

He derided Press reports that the Egyptian naval shelling of the Mediterranean coast indicated improved tactics. He assured that the Egyptians could not venture farther north to attack settled parts of Israel as this would mean their sailing for five or six hours back to the protection of their base, in which case they might be caught by daybreak.

Casualties:

Gen. Dayan said that since April 1, 1969, Egypt had carried out 13 air attacks and 15 troop landings, apart from naval bombardment. Israel had lost 49 dead and injured in these attacks, while the Egyptians had sustained 300 casualties.

In 65 Israeli air raids and an undisclosed number of troop landings, the Egyptians had suffered approximately 1,000 casualties and Israel 20.

He claimed that the Israeli forces on the Suez Canal had clearly won the last round. The next phase would open in the Spring of 1970, but would not necessarily be an all-out war. The Arabs planned to renew the war and were building up militarily for that purpose. Egypt, Jordan, Syria and Iraq had 50 per cent more tanks and 60 per cent more aircraft than they had had on the eve of the six-day war in 1967, and they would probably get more before the next war. However, Israel was also growing stronger and the balance of forces was as much in Israel's favour now as it had been in the six-day war.

Warning To UAR:

The Defence Minister, Gen. Moshe Dayan warned Egypt on November 7, 1969 that raids and incursions across the Suez Canal would cost her a heavy toll in casualties.

Replying to questions at an interview, he said raids such as those in the past few days by Egyptian troops made no difference to Israel's firm hold along the waterway. The Israeli Army was working on plans to foil such raids and heavy losses would bring them to an end.

The demolition of houses in Israeli-held areas, he added, was the most effective deterrent to collaboration between the population and saboteurs. "We demand from the population (in the occupied areas) only a minimum of non-co-operation with the terrorists."

(**The Times,** London, **The New York Times, The Egyptian Gazette,** Cairo, **Jerusalem Post** and **The Hindu,** Madras)

[Prev. ref. 9277:ISR:A]

B. **President G. A. Nasser On West Asian Situation:** Addressing the Egyptian National Assembly in Cairo on November 5, 1969, President G. A. Nasser said it appeared that the only "solution" for UAR in the West Asia crisis was "armed struggle."

He added: "We asked for a political solution and an attempt was made to impose capitulation upon us. We will never give up an inch of the occupied territory.

"There is no way out of the current crisis but the way to the liberation of all the occupied territories —and principally Arab Jerusalem, the west bank of the Jordan and the Golan Heights.

"All efforts made towards a peaceful settlement of the problem have been shown to be in vain. Now we must take up the way of force across a sea of blood and through fire."

The 40-minute speech was his first since July 23, 1969 and the period he was to review was packed with developments and rumours which he usually tackled at length as for example — with rumours about his health and about Mr. Ali Sabry, the El Aqsa Mosque blaze and the Rabat Conference, the furore about US citizenship laws permitting American Jews to work in the Israeli armed forces, the stepped-up raids against Israeli positions in Libya and notices to Americans and the British to terminate their bases there.

President Nasser touched briefly on some of these and some he omitted altogether.

He disclosed that Egypt now had a defence allocation of half-a-billion pounds (Egyptian) and half-a-million men under arms. In referring to stepped-up activities against Israel in Sinai, he chose to let the **communiques** of the past three months speak for themselves. They spoke plenty. Egypt claimed to have shot down 40 Israeli planes (since he spoke last) and mounted a score of commando and amphibious raids on Israeli-held positions in Sinai.

He described USA as an enemy of Egypt, but limited his attack to distinguishing between Soviet experts who advised the Egyptian Army and American experts who bore arms for Israel.

On the Lebanese crisis, he said that no Arab country should or could suppress Palestinian resistance, which would go on until the Palestinian homeland was restored. Friend and foe would be determined by his attitude to the commandos.

He repeated the call for holding an Arab **summit** after the deliberations of the Arab League Joint Defence Council on November 6, 1969 (see below).

[The Council was originally called to discuss the El Aqsa Mosque fire but the Rabat Conference, which also dealt with it, showed divergences in Arab view-points. When some Arab leaders called for an Arab League meeting to discuss Lebanon, the differing attitudes of various countries were brought to the fore again.]

President Nasser reserved his comments to a description of the Libyan Revolution. He was known to have told many private visitors in the past few weeks how encouraged he felt by the revolution.

A major portion of his speech was an exhortation to his people to strengthen the internal front through greater work and sacrifices.

Israeli Reaction:

All Israeli newspapers concluded from President Nasser's speech that another war was inevitable.

Most of them added that it was therefore necessary to confront the Egyptian people with the following choice: "Either fight another war you cannot win, or give State power to men prepared to make peace."

The newspaper **Davar,** which usually reflects the position of the Israeli Government, said that President Nasser had embarked upon "the path of no return." He had given his full backing to the Palestinian guerrillas, who aimed at "the destruction of Israel."

The **Jerusalem Post** which backs the hard-line positions of Gen. Moshe Dayan, the Defence Minister, said: "It seems that for Nasser war is inevitable, not because it is the only solution, but because it is the only solution which can maintain Nasser in power."

Mr. Yigal Allon, the Deputy Prime Minister, described President Nasser as "a desperate man who has lost hope in himself and in his people." Speaking at a Labour Party rally in Nazareth, he urged the Egyptians to join the Israelis in seeking a political solution of the West Asian problem through direct negotiations.

He said President Nasser—"who is leading his people towards social emancipation"—should not pin his hopes on a solution through outside Powers. "I must stress that Israel is aiming at peace. We do not seek military victory."

He added: "In spite of the pugnacious words of the Egyptian President, I am convinced that conditions for a situation favourable to peace are emerging." He did not elaborate.

US Reaction:

The US Secretary of State, Mr. William Rogers, said in a statement in Washington on November 7, 1969 that President Nasser's call for war was a set-back to efforts to find a peaceful solution in West Asia in accordance with the Security Council resolution of November, 1967.

He said that President Nasser's allegations against USA, including charges of US involvement in Israeli military action against UAR, "are, of course, false". "USA is genuinely interested in contributing to a just and lasting peace in West Asia."

(**The Times**, London, **The New York Times** and **The Egyptian Gazette**, Cairo)

[Prev. ref. 9137:ISR:A]

C. Arab Defence Council Meeting: The Arab Joint Defence Council, which met in Cairo from November 8 to 10, 1969, endorsed UAR's stand as expressed by President Nasser that "there is no possibility at present of a peaceful solution to the Middle East crisis."

The Council also accepted President Nasser's call for holding an emergency Arab **Summit** Conference. It decided that an Arab **Summit** Conference be held in Rabat from December 20 to 22, 1969.

The Council adopted several resolutions. It agreed that in assessing the general situation a peaceful solution was impossible and had reached a deadlock. "It is impossible for the Arab lands (occupied by Israel) to be liberated peacefully as a result of Israel's stubbornness and material, political and military support it receives from the US and other imperialist Powers."

Having drawn this conclusion, it added: "We should put into effect what we had already decided upon, namely, that our path is the path of mobilization, force, and preparation for organized and serious material action in which each of us bears full and definite responsibility."

The Council recommended that an Arab **Summit** Conference be held in Rabat within the frame-work of the Arab League. It also expressed an essential need of the moment, the need to organize the Arab struggle from the top downwards for the new phase of the fight for their rights, a fight which must inevitably ensure in the circumstances of all-out US support for Israel.

Thirdly, the Council supported UAR's pledge of help to the Palestinian resistance forces. The Council decided to help the Palestinians with all means available to the Arab nation.

(**The Egyptian Gazette,** Cairo)

[Prev. ref. 9178:ISR:C]

D. Decree To UAR National Assembly: A draft decree to the UAR National Assembly characterized President Nasser's speech as a national document.

His speech, the decree said, "defines for the Arab struggle its only way to safeguard honour and freedom. It reveals to the Arab nation that the USA, in standing by Israel, adopts the attitude of an enemy towards the Arabs."

The National Assembly, the decree added, "expresses its faith that the speech from the leader to his men will act as a guide for its work and an incentive to further sacrifice, effort, sweat and blood."

To follow up President Nasser's speech, Citizens' War Committees were formed in all the Governorates "to organize State efforts so that there will be full co-ordination of work between the people, the executive authorities and all fields of production."

(**The New York Times, The Times**, London and **The Egyptian Gazette**, Cairo)

[Prev. ref. 2365:UAR:A]

E. US Citizens Serving In Israeli Army—American Note Rejected By UAR: The newspaper, Al Ahram, reported on November 13, 1969 that the UAR Government had rejected an American Note explaining the US attitude towards Americans serving in the Israeli Army (see page 9277).

It said the Note had merely reconfirmed the presence of American nationals in the Israeli armed forces. Egypt categorically rejected the argument that United States law allowed American citizens to enlist in the armies of another State, and insisted that international law should rule in this case.

(**The Egyptian Gazette**, Cairo and **The Times**, London)

[Prev. ref. 9277:ISR:A]

JAPAN

A. LDP Favours Continuance Of Security Treaty With USA: The ruling Liberal-Democratic Party's (LDP) Executive Board, at its meeting held in the third week of October, 1969 in Tokyo, decided in favour of automatic continuation of the Security Treaty with USA.

It meant that the Government would follow a policy which called for continuation of the Treaty for a "fairly long period of time" after the Treaty's initial 10-year term expires on June 23, 1970.

Observers said that continuation of the Security Treaty was a precondition for Okinawa's restoration to Japanese rule.

The Party decision thus further cleared the way towards an agreement on Okinawa's return to Japan between the Prime Minister, Mr. Eisaku Sato and President Richard M. Nixon when they met in Washington in November.

In making the decision, LDP said the Treaty had a significant role in protecting the nation's security and peace.

The Board said the Treaty had greatly contributed to the growth of the nation's economy and had helped raise the nation's standard of living. "While the United Nations is unable to adequately assume its peace-keeping functions, it is necessary to maintain the Security Treaty for a fairly long period of time."

Concerning the Japan-US negotiations over the reversion of Okinawa, the LDP Board agreed to refrain from making any decision on its stand so as to give a diplomatic "free hand" to Mr. Sato in his "summit talks" with Mr. Nixon.

Opposition Criticism:

The Opposition Japan Socialist Party termed the Government party decision to automatically continue the Japan-US Security Treaty beyond 1970 as "an abuse of powers infringing on democracy."

In an appeal to the nation, JSP terms the decision as a step towards militarism and imperialism aimed at making Japan "the policeman of Asia."

The appeal said that Mr. Sato's advocacy of a "major role in Asia" for Japan was dangerous as it indicated a sinister design violating the war-renouncing Constitution.

It called on the nation to rise up and protest against the LDP decision, demand dissolution of the Diet and stop Mr. Sato's visit to Washington in November.

(**The Japan Times**, Tokyo)

[Prev. ref. 7073:JAP:D]

B. Defence Build-up Plan: The Defence Agency recently started drafting its five-year programme, to begin in fiscal 1972, at the initiative of its Director-General, Mr. Kiichi Arita.

The new build-up plan was expected to call for a big improvement in the equipment and capability of the Self-Defence Forces (SDF) and this in turn was expected to lead to a major political discussion on the limits of "self-defence" allowable under the Constitution.

Limitations on Japan's defence build-up were discussed during the drafting of the second and third defence build-up programmes in connexion with the war-renouncing Article 9 of the Constitution.

Observers, however, anticipate that in the new build-up plan the modernization of defence equipment involved would make it hard to differentiate between offensive and defensive weapons in many cases.

The Government had said in the past that Japan would not possess offensive weaponry, including ICBMs and IRBMs.

As far as bombers were concerned, Government officials had explained in March, 1964 that this country would not possess bombers designed for long-range operations. But in March, 1967 the then Defence Agency Director-General had told the Diet that Japan could have strategic bombers if their operational range was short.

According to observers, the Government's policy of restricting the SDF to defensive weapons was likely to be altered "decisively in the course of the fourth defence build-up programme."

These observers predicted that the Government would eventually define SDF equipment as either defensive or offensive in accordance with purposes and circumstances.

The Agency plans to complete its draft of the new defence build-up programme around the middle of 1970 with emphasis placed on the following improvements:

(1) Strengthening of the defence capabilities of the Maritime Self-Defence Force;

(2) Strengthening of the air defence set-up; and

(3) Improvements in the nation's ability to cope with a hypothetical invasion.

Construction of high-performance submarines and helicopter-carriers was likely to be envisaged in the new programme.

The programme has touched off a big controversy over the constitutional question of to what extent Japan is allowed to build up her defence capability and exercise the right of self-defence.

(**The Japan Times**, Tokyo)

[Prev. ref. 8325:JAP:A, 8804:JAP:G]

C. Merger Of Steel Firms Approved: The official Fair Trade Commission (FTC) announced in Tokyo on October 29, 1969 formal approval of a merger of two of Japan's to steelmakers to ofrm the world's second biggest combine.

The Commission's decision included 24 steps to make the merger compatible with anti-monopoly legislation, and involve the breaking up of the firms' market control in foundry pig-iron, sheet piling, railroad rails and tin plate.

Under the agreement, FTC accepted the company-proposed setting up of a watchdog committee, which will give the Commission the role of overseer during initial stages of the merger.

The proposal for merger of Yawata and Fuji Iron and steel companies had touched of a legal battle over whether the combination would violate anti-monopoly legislation.

The two companies announced that their new combine would be called Nippon Steel Corp. instead of New Japan Steel Corp. as previously decided. Its annual gross sales were expected to exceed $2.5 billion.

The merger re-united the two companies just 20 years after Gen. Douglas MacArthur had ordered the break-up of the quasi-Governmental, pre-War Japan Iron and Steel Co.

[The merger agreement, signed in March, ran into FTC opposition on the eve of its planned June 1 consummation. The FTC subsequently turned down several Yawata-Fuji formulae for removing the threat of monopolies in various sectors of the industry, involving the sale of plants and holdings in related companies. FTC held that it had no "convincing guarantees" that the divestitures would be carried out.

(The Japan Times and The New York Times)

[Prev. ref. 8924:JAP:B.]

JORDAN

A. Kataeb Al-Nasr Members Sentenced To Death: A military court on November 9, 1969 sentenced to death by hanging nine members of the Kataeb Al-Nasr organization which was accused of provoking disturbances in November, 1968.

Fourteen other members of the organization were sentenced to prison terms ranging from one year to 15 years' hard labour.

(Amman Radio)

[Prev. ref. 8679:JOR:B]

KOREA (South)

A. Spy Ring Charged: The death penalty was demanded in Seoul on October 27, 1969 for No-Su Pak (336), a Korean holding a Cambridge degree, who was accused of having led a North Korean spy ring of 18 based in Britain.

The prosecution also demanded death for three other members of the alleged ring and gaol terms of from three to 15 years for the rest.

No-Su Pak, who was said to have been up at Cambridge under another name, was accused of having visited Pyongyang, in North Korea, twice and East Berlin 14 times between 1964 and 1968 while studying in Britain.

(The New York Times)

[Prev. ref. 8866:KRS:A]

MALAYSIA

A. New Banking Regulations: A Government statement issued on October 16, 1969 announced that the National Operations Council had approved the Essential (Protection of Banking Companies) Regulations, 1969.

The Regulations seek to enable the Government "to declare any domestic bank a protected bank if the Government is satisfied that such action is necessary in the public interest and in particular the interest of depositors and shareholders of the bank concerned."

The main effect of a declaration is that the existing directors of the bank concerned will be replaced by directors appointed by the Director of Operations. The new directors will be responsible to the Director of Operations for the proper management and operations of the protected bank.

The statement said: "A bank is unlike any other business organization in that the directors can have access to not only the funds of its shareholders but very often the funds of its depositors which are many times greater than the share capital. Bank directors can, therefore, put themselves in a position to gamble with the people's money and their responsibility to the public is greater than their responsibility to the shareholders."

The Regulations also enable the Government to acquire any portion or the whole of the shares of the protected bank if the Government considers it would be expedient in the public interest to do so.

There is also provision for the Director of Operations to revoke the declaration of protection at any time if he is satisfied that it is no longer necessary or desirable for the bank to remain protected.

The Regulations apply to banks incorporated in Malaysia only. These will be used only when it is considered absolutely necessary in order to protect a bank and to ensure its efficient management and operations in the interest of the depositors and the shareholders as well as in the public interest.

It should be pointed out that the banking system in Malaysia is in a very healthy state and highly liquid. The Regulations are precautionary measures to be used in case of absolute necessity. When a bank is declared a protected bank, it is not the intention to regard the protected status as being permanent, but such status will be removed as soon as the protection is no longer necessary.

(The Malaysian High Commission, New Delhi)

[Prev. ref. 8364:MAL:C]

NEPAL

A. Airport Expansion Scheme: In an effort to modernize the country's civil aviation, Nepal has drawn up a scheme for extension of runways of airports and building new ones at a cost of about Rs. 13 crores. It has asked the Asian Development Bank to provide Rs. 6 crores.

According to the scheme, drawn up by the Civil Aviation Department, the runway at Khatmandu's Tribhuvan airport is to be lengthened from 6,600 feet to 10,000 feet, enabling it to receive big jets. At present Caravelles of Thai International land three times a week using a rear-mounted parachute as brake.

Plans have also been made to lengthen the airfield at Biratnagar and Bhairahawa and to build a new airport at Pokhara with a 5,000-feet-long runway.

Because of the hilly nature of Nepal and lack of adequate roads, air travel is most convenient and in fact the only means of travel in various parts of the country.

The State-owned Royal Nepal Airlines (RNA) which operates air esrvices from Khatmandu to many places in the country, has only Dakotas in its fleet. A single Fokker Friendship aircraft operates its services to India and Pakistan. The RNA will soon have two Avros to replace the Dakotas on certain routes.

(The Statesman, Calcutta)

[Prev. ref. 5780:NEP:B, 7960:NEP:H]

B. National Education Advisory Council: The Government has set up an eight-member National Education Advisory Council to study the present educational system in the Kingdom and to recommend ways and means of ensuring employment to educated young men.

The Council, which has been asked to submit its report to the Government within two months, will also recommend certain reformatory measures in higher secondary education.

(The Hindustan Times, New Delhi)

[Prev. ref. 7816:NEP:G]

C. **Crown Prince To Marry:** According to a communique issued on November 26, 1969 from the Palace, the wedding of Crown Prince Birendra with Princess Aishvarya has been fixed for February 27.

(The Times of India, New Delhi)

[Prev. ref. 6097:NEP:A]

D. **Japanese Team Fails To Climb "Manasulu II": Manasulu II,** also known as Peak-29, has again eluded the Japanese, who have failed for the third time within a decade to scale this 24,652-foot-high peak in the Gorkha Himal range of the Himalayas.

According to a message from the liaison officer of the Osaka University Mountaineering Club which was making an attempt on the peak, the team members went up to a height of 23,976 feet on November 1, but had to turn back because "they could not find any route further up."

This was the season's first failure in mountaineering after two successes on the two peaks of the **Annapurna** range by Czech and Yugoslav teams.

(The Hindustan Times, New Delhi)

[Prev. ref. 8857:NEP:D, 8975:NEP:D]

PAKISTAN

A. **Bulgarian Economic Mission –Agreement Signed:** A high-powered Bulgarian Economic Mission led by Mr. Lachazar Avromov, Deputy Premier and Minister for Foreign Trade, visited Pakistan from October 20 to 23, 1969.

During their visit, Mr. Avromov and members of his mission had wide-ranging discussions on economic co-operation with Pakistan Ministers and officials.

During his visit, Mr. Avramov also called on the President, Gen. A. M. Yahya Khan, on October 21 and conveyed to him an invitation to visit Bulgaria. The invitation, which was accepted by President Yahya Khan, had been sent by the Bulgarian President. During the meeting, matters of interest to Pakistan and Bulgaria were also discussed.

On October 21, 1969 an Agreement was signed in Islamabad by Mr. Avromov and the Deputy Chairman of the Planning Commission, Mr. M. M. Ahmad, on behalf of their Governments under which Pakistan would get the first Bulgarian credit of $8 million, which Pakistan would utilize for importing various types of plants and equipments.

The Agreement, which came into force with immediate effect, provided that the entire repayment of the credit, including the down payment, would be made by Pakistan in the form of goods.

Air Services Agreement:

An Air Services Agreement was also signed on October 22, 1969 between Pakistan and Bulgaria which will enable Pakistan International Airlines and Bulgarian Airlines to fly between Sofia and Karachi on routes agreed upon by both sides.

(Pakistan High Commission, New Delhi)

[Prev. ref. 9100:PAK:A]

B. **Martial Law To Stay Till End Of 1970:** Addressing newsmen in Lahore on November 16, 1969, the Law Minister, Mr. A. R. Cornelius, ruled out the possibility of scrapping Martial Law in the country till the end of 1970.

He said that elections could not be held till basic issues like the future of the one-unit system and the question of autonomy were settled.

Pointing out that consensus did not exist among politicians, he said the military **regime** did not propose to make further efforts to reach an understanding with various political leaders on such issues.

He said Gen Yahya Khan might himself come up with a solution, but that would not be before the middle of 1970. By that time, the President was expected to finalize the frame-work of a new Constitution on which he was working.

(The Pakistan Times, Lahore)

[Prev. ref. 9228:PAK:B]

C. **Disturbances In East Pakistan:** Since October 15, 1969, violent disturbances have taken place throughout East Pakistan.

Fresh cases of looting, arson and stabbing were reported on November 2, 1969 in the troubled area of Mirpur only an hour after the 11-hour curfew, imposed in Dacca and Narayanganj following clashes between local people and refugees, was lifted.

At least one person was feared dead in a stabbing incident, raising the death roll to seven with over 100, including 40 policemen, injured.

Air Marshal Asghar Khan, leader of the Pakistan Democratic Party, described the situation in Dacca after the riots as "very bad"

As he toured the riot-affected areas where Urdu-speaking and Bengali-speaking Pakistanis clashed, Air Marshal Asghar Khan was attacked twice by armed mobs. He was saved by his followers, who were unable to prevent a number of other people from being beaten.

The trouble began when non-Bengalis demanded that forms for enrolment of voters should be printed in Urdu also. A similar demand had been made by the East Pakistan Awami League leader, Sheikh Mujibur Rehman recently.

In a series of incidents in the third week of October, 1969, striking workers had set fire to a weaving loom in one of Karachi's textile mills, destroying raw materials in another plant. About 60,000 workers from 25 textile mills in East Pakistan staged a walk-out.

In a statement, the Government said that "a wave of resentment is spreading among silk mill workers due to the anti-labour policy of the management." It said it might be compelled to take "drastic steps" to force management to implement the wage agreement reached on August 11 under the supervision of the Martial Law authorities.

The newspaper **Daily News** quoted informed sources as saying that certain "political groups and interested parties" were trying to destroy peace and harmony in the country.

East Pakistan's pro-Peking National Awami Party was so far the only major political organization backing the workers.

Demand For Sindhi As National Language:

Meanwhile, a demand has jointly been made by various political and literary organizations of Sind to make Sindhi one of the national languages of Pakistan.

In a resolution passed at a largely attended conference of Sindhi writers and intellectuals held in Nawab Shah, it was regretted that Sindhi had been neglected for 22 years.

The writers demanded national language status for Sindhi at least in West Pakistan, along with Urdu, with its use as a medium of instruction up to post-graduation and as the language of administration in all areas of the former Sind province.

The movement was led by the well-known Sindhi leader, Mr. G. M. Syed, and has wide support including that of Mr. M. A. Khuro and Kazi Fazlullah, former Chief Ministers of Sind and Mr. Z. A. Bhutto, former Foreign Minister.

Among political parties, the National Awami Party and the People's Party on the Left and the ultra-Rightist Jamaat-e-Islami support it.

Incidents In East Pakistan:

On November 3, 1969, scattered clashes erupted in Dacca after weekend riots over language differences.

Seven people were killed and at least 120, including 40 policemen, were hospitalized during the riots. A group of politicians who wanted to tour troubled parts of the crowded city of 600,000 were barred from the Mohammedpur area by police and troops.

According to a Government statement, 300 people had been arrested following violence. A dusk-to-dawn curfew was re-imposed in Dacca for the third consecutive day.

Earlier, the East Pakistan authorities had lifted the restrictions on the movement of people and vehicles on the streets of Dacca and Narayanagunj. But the Martial Law order in this connexion was again revoked.

(**The Pakistan Times,** Lahore and **The Statesman,** Calcutta)

[Prev. ref. 7523:PAK:F, 8842:PAK:A]

D. *Shias Form Political Party:* The Shia community has decided to form a political party under the banner of the Pakistan Shia League.

The Lahore daily, **Nawa-e-Waqt,** quoted Shia leaders, Syed Mohammed Jaifari and Mr. Mohammed Alam Zaidi, as saying that the Sunni majority had deprived the Shias of their "lawful rights in the Services, role in political life and a proper share in the income from religious places".

In a statement, they contended that the Shias were the most persecuted minority in Pakistan. They were discriminated against on the occasion of Moharram. On the plea of hurting the feelings of the Sunnis, they were not allowed to take out **tazia** processions in many cities.

The Shia League demanded that Pakistan's future Constitution should provide for at least 15 per cent of seats in the National Assembly for the Shias. A separate trust board should be set up to look after Shias' interests in the grant of educational scholarships.

The League alleged official interference in the management of funds of Shia religious endowments.

It appealed to Shia leaders such as the former Foreign Minister and Chairman of the People's Action Party, Mr. Z. A. Bhutto to support its demands. Some Shia leaders, including Syed Mahmud Hassan Zaidi, Mr. Aga Altaf Khan and Syed Mazhar Ali, had threatened to go on fast to press their demands. President Yahya Khan also belongs to the Shia community.

(**The Statesman,** New Delhi)

[Prev. ref. 9075:PAK:D]

E. Envoy To UK: It was announced in Islamabad on November 14, 1969 that Mr. Salman Ali, Ambassador to the Soviet Union, had been appointed High Commissioner in London.

Mr. Salman Ali will also look after Pakistan's affairs in the Republic of Ireland.

He was replaced in Moscow by Mr. Jamshed Market, Ambassador to Rumania.

(**The Pakistan Times,** Lahore)

[Prev. ref. 7270:PAK:D]

F. Gen. Iskander Mirza Dead: Former President Iskander Mirza died on November 13, 1969 in London. He was 70.

On the Partition of India in 1947, he first became Defence Secretary of Pakistan and Governor-General in 1955. He became President two months later. Eleven years ago, Gen. Mirza was deposed in an Army **coup,** after which Gen. Ayub Khan was made President.

(**Dawn,** Karachi)

[Prev. ref. 2315:PAK:A, 2365:PAK:A]

G. High Court Ruling On Limitations Of Martial Law: A recent judgment by the High Court of West Pakistan, which questioned the right of the Martial Law administration to whittle down or curb the powers of a civilian judiciary, has been hailed by lawyers as a landmark in the country's judicial history and "a judgment of which every Pakistani will feel proud."

The momentous judgment received little or no publicity since it was delivered by a three-man Bench of the High Court in Lahore in June.

The ruling revolved around the Administration's attempts to transfer a corruption case from the civil courts to the special military tribunal which was established when Martial Law was imposed in Pakistan in March.

The accused, Mr. Malik Mir Hassan, a local businessman, who had earlier appealed to a civil court against charges laid by the Pakistan Capital Development Authority, had petitioned the High Court in May this year when his case was transferred to a military tribunal.

After a lengthy judgment, Mr. Justice Bashir-ud-Din Ahmad and his two colleagues returned the case to a civilian court and pointed out that Martial Law regulations which barred civilian courts from questioning the proceedings or verdicts of military tribunals could not curb the powers of the judiciary under the normal concept of the rule of law.

In essence, the judgment pointed out that the individual must always have the right of appeal, in spite of arbitrary and emergency regulations.

Opposing the petition, the State argued that Martial Law regulations specifically prevented the civil courts from interfering in cases brought before a military tribunal.

Mr. Justice Ahmed and Mr. Justice Shaukat Ali ruled that the specific clause contradicted another clause in the Martial Law regulation and the "Provisional" Constitution, which was promulgated by the Administration in March. The judges pointed out that the Administration had declared at the moment of Martial Law that Pakistan would be governed "as near as may be" in accordance with the previous Constitution, provided this did not contradict Martial Law regulations. "We have no cavil with the proposition of law that no Martial Law regulation can, or order could, be challenged in this court, but it must be remembered that there is nothing in the Provisional Constitution order or Martial Law regulations which bars the superior courts of this country from interpreting the Martial Law regulations."

They further added: "No one, including the Chief Martial Law Administrator, can transcend or deviate from the sole purpose of restoring law and order and democracy and it needs no gainsaying that the curbing of the jurisdiction of the established judiciary is not a step in that direction and it is for this reason that the Chief Martial Law Administrator never made any secret of that fact."

All three judges reminded the State that the purpose of Martial Law was to quell riots and disturbances and the Administration had no right to encroach on cases outside the scope of these subjects. Under these observations, the power to transfer civil cases to special military courts was beyond the jurisdiction of the Administration and ordered the Government to send the specific case back to a civilian court.

(**The Times,** London)

[Prev. ref. 9076:PAK:K]

H. **Wheat Agreement With West Germany:** An Agreement was signed in Islamabad on October 10, 1969 under which West Germany would provide Pakistan with 30,000 tons of wheat.

The wheat would be imported for East Pakistan's requirements during the current fiscal year.

With the signing of the Agreement, wheat imports during the year from West Germany would total 75,000 tons.

(**The Pakistan Times,** Lahore)

[Prev. ref. 8427:PAK:D]

SYRIA

A. **Re-opening Of Border With Lebanon:** Syria re-opened its border with Lebanon on November 13, 1969 but gave warning that more drastic measures would be taken if the agreement signed in Cairo by Lebanon and the Palestine Liberation Organization (see page 9296) was not enforced satisfactorily.

Syria had closed the border on October 21 after clashes between Palestinian commandos and Lebanese security forces in southern Lebanon.

The latest decision was welcomed in Beirut where a spokesman called it "a natural step between Arab brothers" which "shows the spirit of brotherhood, friendship and co-operation between Syria and Lebanon."

The Syrian statement said that the closure of the border with Lebanon, together with other measures which the Syrian Government had intended to take, had been aimed at asserting the legitimacy of the Palestinian struggle and its right to set out from Arab territory. It was meant to underline "the seriousness of subjecting the resistance to any obstruction or delay in carrying out its sacred tasks".

It had now become clear to the Political Bureau that the Palestinian resistance command "has secured promises and agreements ensuring freedom of movement, and that nationalist and progressive Arabs who had backed it will not be prosecuted." The Political Bureau had, therefore, decided to re-open the border to give an opportunity for enforcing the agreement, and had instructed the Interior Ministry accordingly.

The Political Bureau would adopt "decisive and final measures" in the future if there was any delay in enforcing the agreement. Syria considered the Palestinian resistance as the serious start of a popular liberation war and had placed all the country's potential at its disposal.

(**The Times,** London)

[Prev. ref. 9294:LEB:A]

B. **Iraqis Convicted For Spying:** The Revolutionary Court in Damascus on November 15, 1969 handed down death sentences to 54 Iraqis charged with spying for USA.

The Syrian news agency reported that the death sentences were pronounced at the secret trial of an alleged Iraqi spy ring operating for the US Central Intelligence Agency.

The news agency said that among the defendants were several high-ranking Government officials, including a former Minister of the Interior, Brig. Rashid Musleh and a former Labour Minister, Mr. Fuad Rikabi. Many defendants in the case received prison terms ranging from five to 20 years.

The alleged ring was headed by a runaway Iraqi millionaire, Mr. Lutfi el Obeidi, who was reported to have been arrested in Libya.

(**Damascus Radio**)

[Prev. ref. 8246:SYR:C]

TURKEY

A. **General Elections:** Turkey went to the polls on October 12, 1969 after a three-week General Election campaign fought mainly on domestic and economic issues.

More than 10,000,000 voters exercised their franchise to determine the new 50-seat National Assembly and returned the pro-Western Justice Party with a solid majority.

The party is led by the Prime Minister, Mr. Suleyman Demirel.

[Mr. Demirel (45), stocky and balding, is a new phenomenon on the Turkish political scene. Until he entered politics just five years ago, Turkey's democratic leaders had come from urban, mostly wealthy elite. He is a peasant.]

Cabinet Re-shuffle :

The Prime Minister, Mr. Suleyman Demirel, whose ruling Justice Party emerged victorious in the General Eleftions, announced on Novemeber 2, 1969 a radically changed Administration which would govern the country for the next four years.

Only four Ministers, including Mr. Ihsan Sabri Caglayangil, the Foreign Minister, retained their appointments in the former 24-member Cabinet. Ten were removed, and the rest given new portfolios.

The re-shuffle did away with the representatives of a powerful Right-wing minority in the conservative, pro-West Justice Party. It was a proof of previous indications that Mr. Demirel would disregard inter-party politics in favour of creating a powerful and competent Cabinet to face a period which he called "critical in Turkish history."

Political Rights Bill Approved:

On November 5, 1969, the Senate approved a Bill which will restore political rights to former members of the Democratic Party which had been toppled from power by a military **coup** in May, 1960.

When first considered by the Senate last May, the Bill had been shelved, under the pressure of the armed forces which were reported to have threatened to intervene should former Democrats be given back their electoral rights. The armed forces had been anxious that the former Democrats, still led by the 86-year-old former President Celal Bayar, should not have the chance to take part in the October 12 election and gain seats in the National Assembly.

The Bill, in the form of an amendment to the Constitution, was sponsored by the ruling Justice Party and supported by the Republican People's Party, the main Opposition. It was opposed in the Senate by the members of the revolutionary junta who had seats for life.

(**The Times,** London)

[Prev. ref. 9020:TUR:A]

B. **Credit Agreement With Soviet Union:** A contract and a new Credit Agreement have been signed between Turkey and the Soviet Union for the construction of Turkey's third major steel works at Iskenderun on the Mediterranean coast.

It will be owned and operated by the State iron and steel undertaking which owns the Karabuk works on the Black Sea coast.

The plant, which will go into operation in five years' time, will have an initial output capacity of one million tons per year. Further planned extensions will increase the output capacity to two million tons.

The Soviet Union has made available a credit of $263 million at 2.5

per cent interest. The internal finance of about $222 million will be provided by Karabuk iron and steel works.

The new plant is expected to provide employment for 4,000 engineers and 15,000 men. It will save Turkey imports worth $150 million annually.

(The Egyptian Gazette, Cairo)

[Prev. ref. 8529:TUR:B]

ASIA OUTSIDE ASIA

A. **"Apollo-12" Launched Towards Moon:** America's **Apollo-12** space-craft, the second to land on the Moon with three astronauts on board, was launched from Cape Kennedy on November 14, 1969.

The astronauts rode their command ship, **Yankee Clipper** into the Earth's orbit through a lightning storm to start man's second Moon-landing expedition despite heavy rains and for a while threatened delay.

Comm. Charles "Pete" Conrad *Jr. (39),* Comm. Richard Gordon Jr. (40) and Lt-Comm. Alan Bean (37) thundered away from Cape Kennedy on a **Saturn-5** super-rocket that blasted into the heavens and *survived a possible lightning hit that momentarily disrupted communications.* "I think we got hit by lightning," Comm. Conrad called just after mission controllers reported a serious loss of data from the fleeting spacecraft.

Conversation between the ground and the spacecraft indicated that lightning might have affected the instrument measuring unit which contains the rocket's guidance system.

The lightning, which struck the spacecraft at take-off, was probably caused by the rocket itself. Scientific experts at Cape Kennedy said this was likely because of the cloud-covered charged sky which the rocket had to travel through at blast-off.

Some 30 minutes after the launch, **Apollo-12** was in orbit and encountering no troubles.

During their Earth-parking orbit, the astronauts carried out a series of tests to ensure that all was well with the craft. Comm. Conrad reported a heavy formation of ice on a window which blocked his view of the spacecraft's altitude control system rockets. He test-fired the rockets twice before telling ground control that he was satisfied with their operation.

After the launch, as the spacemen whirled overhead checking the systems of their spacecraft, Dr. Thomas Paine, Space Agency chief, presented President R. Nixon with one of the stones from the paved path taken by the Moonship as it was trundled from the assembly building to the launchpad.

Shortly afterwards, the astronauts separated their command ship, flipped around 180 degrees, and moved in gingerly to dock nose-to-nose with the lunar module.

Facts And Figures Of Mission:

Below are the facts and figures of the **Apollo-12** mission:

Astronauts: Charles Conrad Jr., Richard F. Gordon Jr., and Alan L. Bean.

Purpose: Man's second landing on the Moon. Conrad and Bean are to descend to the Ocean of Storms to make the first detailed exploration of the lunar surface, gathering documented rocks and deploying sophisticated sets of instruments. Astronauts will spend extra day in lunar orbit to photograph future Apollo landing sites.

Total length of time on the Moon: 31½ hours, including seven hours outside lander, after which they rendezvous with Gordon in the orbiting command ship.

Flight duration: 10 days, 4 hours, 35 minutes.

Rocket: Three-stage **Saturn-5**, which with **Apollo** spaceship stands 109 metres tall. The world's most powerful booster, with first-stage thrust of 7.6 million lbs.

Cost of mission: **Saturn-5** $181 million, command ship $55 million, lunar module $40 million, launch operations, including recovery forces $70 million, scientific package $25 million. Total: $375 million.

Space-craft Enters Lunar Gravity:

On Novemeber 17, 1969, the **Apollo-12** swept into lunar gravity as it hurtled unerringly for a rendezvous with the Moon, whose silver crescent loomed larger than their home planet.

The astronauts zipped through the "twilight zone" in which the gravitational influence of the Earth and Moon is equal. Once across this invisible line, lunar gravity took hold and **Apollo-12's** speed accelerated after slowing to about 1,500 mph.

While the Earth, Sun and Moon each peeked into a different window, the crew staged a private showing for a few television viewers. "It seems like we have suspended animation out here", said Comm. Conrad.

On November 18, 1969, **Apollo-12** fired its main rocket engine to change its lunar orbit into a near-circular path of about 66 by 54 nautical miles (122 by 100 km).

Soon after going into parking orbit, the astronauts beamed colour television pictures of the lunar surface to Earth. From that altitude, the Moon looked green-brown, with numerous small light-coloured craters. "Apparently they look very smooth with the naked eye, but with the monocular I can pick up these black dots—obviously they're boulders," Comm. Conrad said of the craters.

The final manoeuvres before landing on the Moon began on November 19, 1969, when Comm. Conrad and Lt-Comm. Bean undocked from the mothership and pulled away. After **Intrepid** had separated from the mother ship Comm. Gordon, Jr. left alone to command, the waiting space-craft, broadcast live television pictures Earthward, showing the slowly tumbling Moon lander in orbit close by.

Then, while **Intrepid** was on the dark side of the Moon, Comm. Conrad and Lt.-Comm. Bean fired their descent engine to put their craft into a lunar orbit, taking them within 50,000 feet of the Moon's surface. Earthlings did not learn the manoeuvre was successful until **Intrepid** emerged from the other side of the Moon and confirmed it was right on target.

Half-an-hour later, Comm. Gordon burned his rocket engine to give the **Intrepid** a little manoeuvring room and in the 14th turn around the Moon, Comm. Conrad put the fragile craft into its descent orbit. Finally, at 15,006 metres above the lunar surface, flying with their eyes turned to space, Comm. Conrad began descending.

At over 2,134 metres he turned the sace-craft around so that he could watch the approaching surface, the rocket aimed in the direction of their flight to brake their speed. Then the probes extending down from the spidery legs of the craft contacted the surface as the **Intrepid** dropped to the 3.6-metre level and Comm. Conrad cut his engines, letting the ship settle down on its footpads.

Moon Walk:

Comm. Charles Conrad and Lt-Comm. Alan Bean became the third and fourth men to walk on the Moon.

They deployed a set of five scientific instruments, powered by the first nuclear generator on the Moon. The Moonwalk was spoiled for earthlings when a camera relaying the first colour television pictures failed after 45 minutes. They returned to **Intrepid,** after spending nearly four hours walking about the lunar surface.

The first colour television from the lunar surface showed the astronauts as ghostly white figures, shuffling about a weird world, collecting rocks and acclimatizing themselves to the one-sixth lunar gravity. When the astronauts tried to move the camera to a new position about 45 minutes after the walk began, they suddenly lost the picture.

"That may have been a small one for Neil, but that's a long one for me," Comm. Conrad joked earlier, as he placed his 13-inch boot onto the black dust of the Moon. He was referring to Neil Armstrong's words when he became the first man to step on the Moon: "That's one small step for man, one giant leap for mankind."

Later, Lt-Comm. Bean had difficulty removing a canister containing the radio-active element plutonium-238 from a protective casket. "It seems swollen in there and friction is holding it in". He reported: "I don't want to pull too hard because it's a very delicate mechanism." "I've got a better idea," Comm. Conrad said, "I'll get the hammer." That did the trick.

If the canister had not come free, one of the major goals of the flight would have failed. Without the nuclear generator, the five scientific instruments would not work.

After collecting a few rock samples, raising the flag and deploying the nuclear-powered instruments, the two astronauts climbed back into **Intrepid's** cabin to rest until the second excursion.

Mission Control later reported that **Intrepid** appeared to have landed 350 metres due west of the **Surveyor-3** unmanned Moonprobe which had softlanded on the side of a crater in April, 1967.

Apollo-11 Moon explorers, Neil Armstrong and Edwin Aldrin, did not stray more than about 200 feet from their lunar module, **Eagle,** but Conrad and Bean were expected to range more than 1,000 feet from **Intrepid.**

On their second Moonwalk in less than 12 hours, their target was the hulk of a dead US spacecraft, **Surveyor-3,** some 200 metres from where they landed in **Intrepid.** The **Surveyor** had endured the 14-day-long lunar days and nights some 31 times, and changes in temperatures that ranged from some 250 degrees above zero (F), to 250 degrees below. Returned to Earth, parts of **Surveyor** will be studied to determine how it and any microscopic life it brought to the Moon had survived all the stresses of vacuum and solar blast.

Comm. Conrad began talking about the cables and devices below. "They are constantly under foot."

At this Sun angle, he said, the Moon dirt around **Intrepid** had a brownish tinge like a well-ploughed field. Elsewhere it was an expanse of light ash grey. They cut away their own television camera for the return home and then set out for the north-west, their first stop at the instruments they had installed earlier.

Mission control told the men to move on to the "triple crater" after about 50 minutes outside the spacecraft. They were slowly working their way over to the **Surveyor** craft.

Lt-Comm. Bean reported his legs "weren't a bit tired," but his hands were getting tired because of the tools. Now they were at halo crater, and the astronauts reported it had a different surface than the others they had visited. In describing this area, Comm. Conrad said: "If you saw this on earth it would look like soft dirt that had just been rained on." The astronauts said that in most of the craters they had seen there were particles that looked like glass.

One of the mysteries that absorbed Comm. Conrad as he scouted the Ocean of Storms was a strange mound that rose like a pimple from the centre of a shallow crater. "I've got to photograph this thing" he said "I can't imagine what it is. There's this big mound sticking up about 100 metres at the foot of a shallow crater on the right-hand edge of the head crater."

Astronauts Conrad and Bean, who had walked to the edge of a "fantastic" fresh crater some distance away from **Intrepid,** were so absorbed by what they were seeing that they had to be urged back to the lunar module as the scheduled Moonwalk period ended.

During their two Moonwalks, totalling 7½ hours, the astronauts collected between 80 and 90 lbs of rocks and soil and took hundreds of pictures. They also retrieved the **Surveyor's** television camera and other parts for examination on Earth.

On November 20, Comm. Conrad had a fall during his Moonwalk, but no damage was done.

Comm. Conrad said that getting up was "no big thing," although officials had said in the past that the chance of a fall of an astronaut with his bulky gear had been one of their worries.

The one thing the astronauts said they noticed in walking for four hours on the Moon was that they got very thirsty.

However, before they returned to **Intrepid,** the two astronauts forgot to bring back to the lunar lander a magazine of colour film of their second Moonwalk. But, they did not leave the **Intrepid** to retrieve the pictures.

First Two Astronauts' Comment:

The first two men to walk on the Moon, Neil Armstrong and Edwin Aldrin Jr. predicted that the bull's-eye landing by the **Apollo-12** astronauts would have "far-reaching effects on our future flights."

They agreed that observations by Conrad and Bean while walking on the Ocean of Storms showed that, scientifically, "from different places on the Moon you'll see different things."

"They accomplished even more things than what I expected, so I would assess their success on the surface as pretty high," said Armstrong, who on July 20 became the first man to step onto the lunar surface.

Based on Moon-to-Earth conversations during the first excursion of Conrad and Bean outside the **Intrepid** landing craft, Armstrong said **Apollo-12** might bring back a more significant variety of rocks than **Apollo-11.**

Armstrong said it appeared the lunar soil at **Intrepid's** touchdown point was not as firm as the spot he and Aldrin had landed on the Moon's Sea of Tranquillity 1,530 km to the east. **Intrepid's** landing near the rim of **Surveyor-3's** crater "has a far-reaching aspect in our future flights," he predicted.

Armstrong and Aldrin had landed 6½ km away from their target spot and project officials had made a pinpoint landing one of the prime objectives of **Apollo-12.** The feat cleared the way for future missions to aim at more rugged, highland terrain where smaller safe landing spots exist but where scientists say the most knowledge can be attained about the Moon.

Return To Mother Ship:

Shortly after returning on board the **Intrepid** the two astronauts blasted off the bleak lunar surface, chased their mother ship for 3½ hours and linked up safely for the long journey home.

They skilfully guided their lunar ferry **Intrepid** through a series of rocket firings to catch Comm. Richard Gordon in the command vessel, **Yankee Clipper.** Two two ships manoeuvred into position and then moved together nose-to-nose.

Safely aboard the **Yankee Clipper,** the astronauts jettisoned the lunar lander and sent it crashing down on the lunar surface. The impact of the crash set up vibrations on the Moon for 300 minutes—much to the surprise of scientists who were reading signals from a seismometer set up on the lunar surface by the astronauts.

Mr. Garly Latham, a geologist, said the sustained vibrations had "unquestionably profound" implications, but that scientists were not prepared to say what they were as yet.

Shortly before they retired for the night for their 7½-hour sleep period, communications between the Yankee Clipper and Earth failed. For 20 minutes ground control at Houston tried to raise the three men. An alarm sent to the spaceship was never received. Finally, as they were cleaning up after their lunar exploration, the astronauts discovered Houston calling on an omni-directional beam and answered, ending the excitement. "What did you want?" asked Comm. Conrad when he got Houston on the radio. Controllers explained the problem and told the astronauts to go about their business. All was well again. Comm. Conrad said they had turned their communications equipment off while they were cleaning up.

First News Conference From Space:

On November 24, 1969, **Apollo-12** astronauts held their first space-to-ground news conference as their spaceship hurtled towards the Earth.

The three astronauts answered several questions put to them by the acting capsule communicator, Mr. Gerald P. Carr, on behalf of newsmen who had sent in their questions in writing to mission control in Houston.

During the telecast, Comm. Conrad recommended that future Moon explorers be allowed to stay outside the landing craft for longer periods than the four hours he and Lt-Comm. Alan Bean were permitted.

Lt-Comm. Bean described what it was like to fall on the Moon where gravity is one-sixth that on Earth. "You fall so slowly that it gives you plenty of time to turn around or regain your footing."

One of the most interesting discoveries the astronauts made was how much colours on the Moon changed when the sunlight hit the surface at different angles.

The spacemen, who paid special tributes to all those who had made their mission possible, also turned the camera on an inscription they had written over an instrument panel saying: **"Yankee Clipper** sailed with **Intrepid** to the Sea of Storms, Moon, November 14, 1969."

Meanwhile, **Apollo-12** picking up speed second-by-second, sped past the half-way mark of its homeward trip, plunging through space at more than 5,310 kpm. At the halfway point, the space-craft was 205,253 km from both Earth and the Moon.

Tucked aboard the cone-shaped space vessel were dirt, rocks, metal and films precious to scientists. **Yankee Clipper** was laden with Moon rocks, film recording nearly eight hours of Moonwalk, and parts of the **Surveyor-3** spacecraft that landed on the Ocean of Storms 31 months ago.

Splash-down In Pacific:

On November 25, 1969, the **Apollo-12** spaceship splashed down into the Pacific, south-east of Samoa.

The astronauts were picked up by recovery men and flown by helicopter to the aircraft carrier **USS Hornet.**

Earlier, the command module separated from the service module and the re-entry began. As they zeroed in on their target, the astronauts were getting spectacular views of the Earth. Lt-Comm. Bean told mission control: "By golly, we can see India. And we can see the Red Sea and we can see the Indian Ocean quite clearly. It's amazing how well we can see. There's Burma and the clouds going around the coastline of Burma, and we can see Africa."

The **Hornet** reported that the astronauts landed just 2.9 miles from it—the closest ever spaceship recovery landing. The splashdown point was about 640 km south-east of Pago Pago, in American Samoa, and more than 2,600 miles south-east of Hawaii.

On landing, **Apollo-12** turned upside down and its occupants inflated flotation bags to right it. The astronauts were picked out of the Pacific after they had bobbed in the rolling sea for about 43 minutes. First to come out was Comm. Conrad. The other two followed him.

Tourists To Visit Moon By 1985:

A scientist for the **Apollo** spacecraft project, Dr. K. Ehricke, predicted in Los Angeles on November 17, 1969 that tourists would be able to visit the Moon by 1985.

Dr. Ehricke, of North American Rockwell Corporation which built the craft, said that different spaceships built and orbital stations were now being designed and should be operating by the mid-1980's.

He estimated that the voyage from the Earth to the Moon would take one week and would involve several transfers between different space vehicles. Passengers would begin the journey in a shuttle craft to an earth orbital space station. Here they would do some space "swimming." The tourists would float in zero-gravity space and perform somersaults by merely flexing their muscles. A huge net would be strung near the station to stop them from drifting off. The passengers would then take another spaceship for the 100-hour trip to a lunar orbital station where a shuttle would take them to the Moon.

(**The New York Times, The Times,** London, **The Times of India,** Bombay and **The Statesman,** New Delhi)

[Prev. ref. 9102:AOA:A]

Comparison Of "Apollo-12" With "Apollo-11":

Below is a comparison of how **Apollo-12** compares with **Apollo-11:**

	APOLLO-12	**APOLLO-11**
Length of over-all mission ..	100 days, 4½ hrs.	8 days 3 hours
Landing site ..	Ocean of Storms 1537 km west of **Apollo-11's** target,	Sea of Tranquillity
Time on Moon's surface ..	31½ hours	21½ hours
Number of Moonwalks ..	Two	One
Duration of Moonwalks ..	3 hrs. 15 mts. each	2 hours
Distance of walk from lander ..	Up to 900 metres permitted	75 metres
Number of experiments ..	Six	Three
Type of television on surface ..	Colour	Black and White

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VIET-NAM (DR)

A. **Text Of Dr. Ho Chi-Minh's Letter To President R. Nixon:** The following is the text of a letter sent to President Nixon of the United States by the late President, Dr. Ho Chi-Minh, referred to by Mr. Nixon in a statement in November, 1969 (see below):

"Mr. President, I have the honour to acknowledge receipt of your letter. The war of aggression of the United States against our people, violating our fundamental national rights, still continues in South Viet-Nam. The United States continues to intensify military operations, the B-52 bombings and the use of toxic chemical products multiply the crimes against the Viet-Namese people. The longer the war goes on, the more it accumulates the mourning and burdens of the American people. I am extremely indignant at the losses and destructions caused by the American troops to our people and our country. I am also deeply touched at the rising toll of death of young Americans who have fallen in Viet-Nam by reason of the policy of American governing circles.

"Our Viet-Namese people are deeply devoted to peace, a real peace with Independence and real freedom. They are determined to fight to the end, without fearing the sacrifices and difficulties in order to defend their country and their sacred national rights. The overall solution in ten points of the National Liberation Front of South Viet-Nam and of the 'Provisional Revolutionary' Government of the Republic of South Viet-Nam is a logical and reasonable basis for the settlement of the Viet-Namese problem. It has earned the sympathy and support of the peoples of the world.

"In your letter you have expressed the desire to act for a just peace. For this the United States must cease the war of aggression and withdraw their troops from South Viet-Nam, respect the rights of the population of the South and of the Viet-Namese nation to dispose of themselves, without foreign influence. This is the correct manner of solving the Viet-Namese problem in conformity with the national rights of the Viet-Namese people, the interests of the United States and the hopes for peace of the peoples of the world. This is the path that will allow the United States to get out of the war with honour.

"With goodwill on both sides we might arrive at common efforts in view of finding a correct solution of the Viet-Nam problem.

Sincerely,
sd/- HO CHI-MINH."

Clarification:

While Mr. Nixon regarded the letter as a complete rejection of the efforts to end the war, a North Viet-Namese official said it was intended as an invitation to a settlement.

In Paris, on November 23, 1969, North Viet-Nam's delegate to the peace talks, Mr. Xuan Thuy, said that "Hanoi is and has been ready at any time to meet the United States in private talks aimed at ending the war."

In an interview, he also asserted that President Nixon's interpretation of the letter written to him by President Ho Chi-Minh just before Dr. Ho's death was incorrect. The letter was intended as just the opposite as an invitation to a settlement. "Just look at the last paragraph," Mr. Thuy said. The paragraph said: "With goodwill on both sides, we might arrive at common efforts in view of finding a correct solution of the Viet-Namese problem." The letter was written in reply to a letter from Mr. Nixon that had said in part: "The time has come to move forward at the conference table toward an early resolution of this tragic war."

Mr. Thuy said that he had repeatedly told the chief US negotiator, Mr. Henry Cabot Lodge, that he was willing to meet privately to discuss "general problems" concerning South Viet-Nam. He contended that Mr. Lodge had rejected this proposal, insisting that the only question he was prepared to discuss was that of "mutual withdrawal."

Mr. Thuy challenged the contention of the US Government that an American troop pull-out would produce a "bloodbath" and mass slaughter of South Viet-Namese.

He said that the traditions of Viet-Nam were humane and generous and founded on love of fellow countrymen. He cited the Buddhist and Confucian traditions of his people and the later influence of Christianity, which had appealed to the Viet-Namese because of the fact that Jesus was a very humane person and that his faith was founded on men's love for one another.

He cited the record of the North Viet-Namese toward those who had collaborated with the French colonial and Japanese occupation **regimes** and noted that there were a number of people in the Haoni Cabinet and holding high positions who had worked with the French and the Japanese. He further pointed out that paragraph C of Point 5 of the Ten-Point Programme specifically prohibited any acts of terror, reprisal or discrimination against people collaborating with the Saigon **regime**.

(The New York Times)

[Prev. ref. 9234:RVN:A, 9256:RVN:A]

VIET-NAM (RVN)

A. **President R. Nixon On plans For Total US Withdrawal:** In a major address on November 4, 1969, President Richard Nixon of the United States asserted that his Administration had a plan to end the Viet-Nam war "regardless of what happens on the negotiating front."

He said the plan, worked out with the South Viet-Namese, called for complete withdrawal of "all US combat ground forces and their replacement by South Viet-Namese forces on an orderly scheduled timetable."

He said he would not reveal the time-table schedule. "The rate of withdrawal will depend on developments on three fronts: progress in the Paris talks; level of enemy activity; and progress in training South Viet-Namese forces."

He said that if communist infiltration and the current battlefield lull continued, withdrawals probably could be speeded up. But, should Hanoi step up military pressure and the level of American casualties increase, "I shall not hesitate to take strong and effective measures to deal with that situation."

He spoke of several hitherto private initiatives he had made for peace. These included a letter he had written to the late Dr. Ho Chi-

Minh on July 15 to declare that "the time has come to move forward at the conference table towards an early resolution of this tragic war." Dr. Ho Chi-Minh's reply, received three days before his death, had simply re-stated North Viet-Nam's position and "flatly rejected my initiative."

Re-stating US proposals for free elections under international supervision, and an internationally supervised cease-fire, he regretfully reported that "Hanoi has refused even to discuss our proposals." "The effect of all public, private and secret negotiations undertaken with the communists since the bombing of North Viet-Nam was halted a year ago can be summed up in one sentence. No progress whatever has been made, except agreement on the shape of the bargaining table."

Announcing that he would persist in the search for peace through negotiations "if possible," Mr. Nixon said he would continue the plan for "Viet-Namization" of the war "if necessary." US forces would be pulled out as the South Viet-Namese became "strong enough to defend their own freedom." This "is not the easy way. It is the right way."

The following are excerpts from the President's address:

"In January I could only conclude that the precipitate withdrawal of all American forces from Viet-Nam would be a disaster not only for South Viet-Nam but for the United States and for the cause of peace.

"For the South Viet-Namese, our precipitate withdrawal would inevitably allow the communists to repeat the massacres which followed their take-over of the North 15 years before.

"For the future of peace, precipitate withdrawal would be a disaster of immense magnitude. It would promote recklessness in the councils of those Great Powers who have not yet abandoned their goals of world conquest. This would spark violence wherever our commitments help maintain the peace—in the Middle East, in Berlin, eventually even in the Western Hemisphere.

"For these reasons, I rejected the recommendation that I should end the war by immediately withdrawing all our forces. I chose instead to change American policy on both the negotiating front and the battle-front.

"In order to end a war fought on many fronts, I initiated a pursuit for peace on many fronts. We have offered the complete withdrawal of all outside forces within one year. We have proposed a cease-fire under international supervision. We have offered free elections under international supervision, with the communists participating in the organization and conduct of the elections as an organized political force. And the Saigon Government has pledged to accept the result of the election.

"We have not put forth our proposals on a take-it-or-leave-it basis. We have indicated that we are willing to discuss the proposals that have been put forth by the other side. We have declared that anything is negotiable except the right of the people of South Viet-Nam to determine their own future.

"Hanoi has refused even to discuss our proposals.

"Soon after my election, through an individual who is directly in contact, on a personal basis, with the leaders of North Viet-Nam, I made two private offers for a rapid, comprehensive settlement. Hanoi's replies called, in effect, for our surrender before negotiations.

"Since the Soviet Union furnishes most of the military equipment for North Viet-Nam, (we) have met on a number of occasions with representatives of the Soviet Government to enlist their assistance in getting meaningful negotiations started.

"We have had extended discussions directed towards that same end with representatives of other Governments which have diplomatic relations with North Viet-Nam.

"None of these initiatives have, to date, produced results.

"In mid-July, I spoke directly with an individual who had known Ho Chi-Minh on a personal basis for 25 years. Through him I sent a letter to Ho Chi-Minh. I received Ho Chi-Minh's reply on August 30, three days before his death. It simply re-iterated the public position North Viet-Nam had taken in Paris and flatly rejected my initiative.

"And we have taken other significant initiatives, which must remain secret, to keep open some channels of communication which may still prove to be productive.

"But the effect of all the public, private and secret negotiations which have been undertaken since the bombing halt a year ago and since this Administration came into office on January 20, can be summed up in one sentence: No progress whatever has been made, except agreement on the shape of the bargaining table.

"It is in line with the major shift in US foreign policy which I described in my news conference at Guam on July 25. Let me briefly explain what has been described as the Nixon Doctrine—a policy which not only will help end the war in Viet-Nam but which is an essential element of our programme to prevent future Viet-Nams.

"First, the United States will keep all of its treaty commitments.

"Second, we shall provide a shield if a nuclear Power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security.

"Third, in cases involving other types of aggression, we shall furnish military and economic assistance when requested in accordance with our treaty commitments.

"An announcement of a fixed time-table for our withdrawal would completely remove any incentive for the enemy to negotiate an agreement. They would simply wait until our forces had withdrawn and then move in.

"The other two factors on which we will base our withdrawal decisions are the level of enemy activity and the progress of the training programme of the South Viet-Namese forces. Progress on both of these fronts has been greater than we anticipated when we started the programme in June for withdrawal.

"As a result, our time-table for withdrawal is more optimistic now than when we made our first estimates in June.

"Along with this optimistic estimate, I must in all candour leave one note of caution.

"If the level of enemy activity significantly increases, we might have to adjust our time-table accordingly.

"If I conclude that increased enemy action jeopardizes our remaining forces in Viet-Nam, I shall not hesitate to take strong and effective measures to deal with that situation.

"I am sure you can recognize from what I have said that we really only have two choices open to us if we want to end this war.

"I can order an immediate, precipitate withdrawal of all Americans from Viet-Nam without regard to the effects of that action. Or, we can persist in our search for a just peace through a negotiated settlement if possible, or through continued implementation of our plan for Viet-Namization if necessary—a plan in which we will withdraw all of our forces from Viet-Nam on a schedule in accordance with our programme, as the South Viet-Namese become strong enough to defend their own freedom. I have chosen this second course. It is not the easy way. It is the right way.

It is a plan which will end the war and serve the cause of peace—not just in Viet-Nam but in the Pacific and in the world."

Reactions:

Russia said that President Nixon's policy speech had "disappointed those who expected to hear anything new."

A Tass commentator said that President Nixon "did not advance any programme for the withdrawal of United States troops, on which broad circles in the United States public and people all over the world insist."

The Tass commentator emphasized that "the key question of the solution" to the Viet-Nam problem was a complete and unconditional withdrawal of American troops.

Hanoi and the Viet-Cong dismissed Mr. Nixon's speech as containing nothing new and vowed to keep up their struggle.

The Viet-Cong statement in Paris said that Mr. Nixon's threat to take strong measures if necessary would have no effect on their fight. The North Viet-Namese said the speech was a challenge to the American as well as the Viet-Namese people.

Anti-War Campaign In USA:

Millions of Americans gathered in hundreds of cities and towns on October 15, 1969 to demonstrate against the war in Viet-Nam. It was the largest peace demonstration in the country's history, and although there were some counter-demonstrations, no clashes were reported.

A petrol bomb was thrown through the window of an ordnance research laboratory at the University of Pennsylvania, but otherwise student extremists were quiet.

Silent candlelight processions and church services were held everywhere and anti-war speeches delivered in parks and offices. Many wore black armbands.

Other demonstrations were held throughout the world, including Britain. In Hanoi, the North Viet-Namese Premier, Mr. Pham Van Dong, published an open letter forecasting victory for the struggle of the "progressive" people in America. He hailed the moratorium against the war organized in the United States.

He said in the letter that he hoped for "a brilliant success of the Autumn campaign", which "reflects in eloquent fashion the legitimate and pressing demand of your people to save the honour of the United States and halt the useless deaths of your sons in Viet-Nam."

Demanding a complete and unconditional withdrawal of American forces from South Viet-Nam, he added: "As long as the United States Government does not halt its aggression in Viet-Nam, the Viet-Namese people will continue their determined struggle for their fundamental national rights. The patriotic struggle of our people is also a combat for the objectives of peace and justice which you seek."

(USIS, The New York Times and **The Times,** London)

[Prev. ref. 9234:RVN:A]

ASIA OUTSIDE ASIA

SUMMARY: Islamic "Summit" Conference; Nuclear Non-Proliferation Treaty Signed; Pearson Commission's Report; US Foreign Aid Bill; Fatalities Under Communist Rule; State Of World Currencies; Nobel Awards.

A. Islamic "Summit" Conference At Rabat: Representatives of 25 nations began in Rabat (Morocco) on September 22, 1969 an Islamic **Summit** Conference with an opening speech by King Hassan II.

The Conference ended on September 25, 1969, a day earlier than scheduled, after producing a resolution which was, in effect, identical to the November 22, 1967 resolution of the UN Security Council calling upon Israel to evacuate all the territory occupied in the June, 1967 war.

It noted that the fire at El Aqsa Mosque in Jerusalem was a consequence of the Israeli occupation of that city.

The Conference in its final hours was marred by an incident involving the expulsion of the Indian delegate, who had been unanimously invited to participate in its deliberations 24 hours earlier.

The Conference, which all the Arab monarchs attended, was boycotted by 10 countries, including Syria and Iraq.

In his welcome speech earlier, King Hassan called for the restoration of Islam's prestige to its former glorious position. He said Muslims should not remain with their hands folded in the face of perils threatening them. He particularly thanked King Feisal of Saudi Arabia for making the Conference possible. He said King Feisal had provided every possible assistance to Morocco to enable her to arrange for this Conference from all aspects.

The Conference upheld a proposal by King Feisal to entrust Morocco with the chairmanship of the meeting.

The Conference set up an administrative and follow-up committee comprising Saudi Arabia, Morocco and Jordan. The Somali Foreign Minister was assigned to serve as Secretary-General for the administration of the Conference.

After the opening session, the Conference met behind closed doors.

Agenda:

On September 23, the Conference held a five-hour meeting behind closed doors at which it discussed the items on its agenda, which was as follows:

(1) The arson in El Aqsa Mosque;

(2) The situation in Jerusalem;

(3) The withdrawal of Israeli troops from all occupied territories;

(4) Restitution of the rights of the people of Palestine;

(5) Implementation of the **Summit** decisions and a future meeting of Islamic Foreign Ministers;

(6) The form and scope of future co-operation among the world's Muslim countries; and

(7) The final **communique.**

The UAR President, Mr. Gamal Abdul Nasser, in a message to the Conference read out earlier said that the fire in the El Aqsa Mosque was a "premeditated act" and a threat to free peoples throughout the world. (President Nasser was reported to be ill with influenza in Cairo).

Both King Hassan and the Shah of Iran said that the Islamic **Summit,** the first in 14 centuries of Islamic history, should not be the last They proposed that the world's Islamic leaders should meet regularly to discuss their common problems.

While King Hassan spoke of the Israeli occupation of Arab Palestine, the Shah made no reference to the West Asia conflict.

Heads of State who came for the meeting included the Shah of Iran, President Yahya Khan of Pakistan, King Hussein of Jordan, King Feisal of Saudi Arabia, Sheikh Sabah Al Salim Al Sabah of Kuwait, President Abdul Rahman Al-Iryani of the Yemen Republic and President Abdirashid Ali Shermarke of Somalia.

Issue Of Indian Participation:

India, which has a vast Muslim population, was not, however, initially invited to the Conference. According to reports, the Indian Government expressed its regrets—and its good wishes—to the Conference.

India protested to the Islamic **Summit** Preparatory Committee against the discriminatory treatment meted out to India and its Muslim population in the matter of invitations to the Conference.

The Indian Minister of Industrial Development, Mr. Fakhruddin Ali Ahmed, said it was unfortunate that an attempt was being made to exclude India. "India has the third largest Muslim population in the world and these Muslims are as much concerned with what is happening in Palestine as the Muslim population elsewhere."

On September 23, 1969, the Moroccan Minister, Dr. Ahmed Laraki, announced to the Press that India had been officially invited. Immediately, the Indian Ambassador to Morocco, Mr. Gurbachan Singh, attended the Conference.

The Pakistani delegation had opposed India's presence, but had later given ground to everyone's satisfaction.

The first sign of trouble appeared on the morning of September 24, when it only remained for Heads of State to meet to examine draft resolutions, and when a draft of the final **communique** *was already circulating among journalists. Mysteriously, the plenary session was put* back from half-hour to half-hour. Towards 12.30 p.m. the Heads of State began arriving at the Conference site, only to leave an hour later without resuming their talks. The proceedings were to last late into the night. The conflict raged behind closed doors at first, but its cause quickly became known: Pakistan was refusing to return to the Conference if India was not excluded immediately. Some countries such as Iran, Turkey and Jordan were siding with President Yahya Khan, while others like UAR, Algeria, Sudan, Libya and South Yemen were lining up behind India.

Envoys from the two camps were busy stating their case. Some said it was scandalous to expel the Indian delegation when everyone had agreed to its admission. After all, India had a Muslim population of 50 million, putting it third on the list of countries where Islam was practised, after Indonesia and Pakistan. In any case, the Arab cause needed the support of this Asian giant.

The Pakistanis pointed to the clashes between Muslims and Hindus at Ahmedabad recently and said India should not be allowed to participate. Gen. Yahya Khan, they added, had never accepted that the "Hindu" Government in New Delhi be represented at the Conference. In his view, only a "people's delegation" from the Muslim community in India could be admitted as observers.

Meanwhile, several Heads of State drove out to Gen. Yahya Khan's house to ask him to reconsider his stand. To this persuasion, he invariably replied: "If the criterion of participation in the Conference is a large Muslim minority, why not invite the Soviet Union, China or Albania, not to say Israel? From the way it treats our brothers, India is to Pakistan what Israel is to the Arabs".

A deadlock had been reached, and the position of King Hassan II was particularly awkward. To ask his Indian guests to return home ran counter to the most elementary rules of Arab hospitality, and it could also have political consequences.

All talk of compromise failed with Gen. Yahya Khan. The Moroccan Foreign Minister soon informed journalists that King Hassan had decided to name Morocco's principal mosques after the nations taking part in the Conference. India's name was missing from the list he cited. Had it been decided to exclude the Indian delegation, he was asked, and replied: "No, but in view of the existing tension we have decided to advise the Indian representative to abstain from attending meetings". Just as diplomatic was the first-page announcement in the Rabat daily newspaper **L'Opinion:** "The Indo-Pakistani tension ended with the voluntary withdrawal of India".

Meanwhile, in response to the unanimous request from the assembled Islamic Heads of State in Rabat, India decided to send a delegation headed by Mr. Fakhruddin Ali Ahmed, Minister for Industrial Development and Company Law. The Indian delegation left on the night of September 23 for Rabat to attend the **Summit.** Besides Mr. Fakhruddin Ali Ahmed, the Indian delegation consisted of Mr. Surendra Pal Singh, Deputy Minister in the External Affairs Ministry, Mr. Ali Zaheer, a former UP Minister, Dr. A. Aleem, Vice-Chancellor, Aligarh Muslim University, Dr. I. P. Singh, Director in the External Affairs Ministry, and Mr. K. D. N. Singh, Joint Secretary in the Ministry of Industrial Development and Company Law.

A "mediation mission" headed by the Malaysian Prime Minister, Tengku Abdul Rehman, finally visited Mr. Fakhruddin Ali Ahmed in an attempt to persuade him to stay away from the crucial plenary session to avoid a walk-out by several of the most influential participants.

King Hassan took the initiative in the turmoil of backstage argument to suggest a "voluntary" withdrawal. Mr. Fakhruddin Ali Ahmed was offered observer status. After consulting New Delhi, the Indian delegate rejected this suggestion. The Tengku mission finally advised that it was the 'consensus' of the Muslim leaders that he should avoid disrupting the historic **summit** and stay away.

Conference officials stressed, however, that India was not formally excluded from the Conference. The Indian flag remained flying among the 26 flags outside the main entrance to the Conference room.

Final Session:

The final session of the Conference opened on September 25, 1969 in the absence of a delegation from India.

Conference sources said that King Hussein of Jordan, the Foreign Minister of Turkey and the Shah of Iran had warned the Conference Chairman, King Hassan of Morocco, that they would immediately join any walk-out by Gen. Yahya Khan should India attend the session.

The Moroccan Foreign Minister, Mr. Laraki said that India had not been excluded from the Conference, but had been advised to refrain from attending the session. He said that although India was physically absent, the Muslim community of India was represented in the final declaration.

The Indian delegation did not attend the Conference.

Declaration Adopted:

The Conference unanimously adopted a Declaration supporting the Palestinian people. It was issued in the name of the participating States plus the Muslim community of India.

It called on the Great Powers to intensify efforts to secure the speedy withdrawal of Israeli military forces from all countries occupied in the June, 1967 war with the Arab States.

It said: "The Heads of State and Government and representatives declare that the continued threat upon the sacred shrines of Islam in Jerusalem is the result of the occupation of this city by the Israeli forces. The preservation of their sacred character and unimpeded access to them require that the Holy City should be restored to its status previous to June, 1967 which was established and sanctified by the history of over a thousand years. They, therefore, declare that their Governments and people are firmly determined to reject any solution of the problem of Palestine which will deny Jerusalem the status it had before June, 1967.

"They urge all Governments, particularly those of France, USSR, United Kingdom and USA to take into account the deep attachment of the followers of Islam to Jerusalem and the solemn resolve of their Governments to strive for its liberation."

The Conference pledged each other mutual assistance in the economic, scientific, cultural and spiritual fields and said they undertook to settle their differences by peaceful means.

It also decided that the Foreign Ministers of the participating Muslim States should meet in Jeddah in March, 1970 to discuss the outcome of the common action taken by the Muslim countries concerned respecting the resolutions adopted at the **Summit** meeting. The Foreign Ministers would also set up the ground lines for the establishment of a permanent secretariat to make contacts with the Governments represented at the Conference for the co-ordination of activities.

King Hassan's News Conference:

Later, addressing a news conference, King Hassan said that Morocco supported anti-Israeli fighters "who fight at the front openly, who fight at the United Nations, who fight to convince States of their cause and their right."

But threats to murder every last Israeli, man, woman and unborn child, would cause even anti-Semites—and there were many in the United States—to feel themselves obliged to "weep for the sacrificed lamb and immediately protect it."

He showed surprise when told that the UAR Vice-President, Mr. Anwar Sadat had been quoted as saying in Cairo that the Conference had poor results and that the final resolution had not expressed solidarity with the Palestine Liberation Organization (PLO) or mentioned the withdrawal of Israeli forces from occupied Arab territory.

He said he could not believe the statement came from Mr. Sadat, because the Conference resolution had demanded the withdrawal of the Israeli forces, and because Mr. Sadat could not have judged the faith of all the participants.

India Recalls Envoys From Morocco And Jordan:

On October 14, 1969, India decided to withdraw its envoys from Morocco and Jordan to express its disapproval of the role of the two countries at the Islamic **Summit**, from which the Indian delegation had been excluded.

The Ambassadors of Morocco and Jordan were sent for by the External Affairs Ministry in New Delhi shortly after the decision was taken at a meeting of the External Affairs sub-committee of the Cabinet. A spokesman of the External Affairs Ministry said it was up to the two Governments concerned to consider what reciprocal measures they should take.

The Indian Ambassador in Morocco, Mr. Gurbachan Singh, who was in Delhi, was instructed to cancel his return journey, while the Indian **Charge d'Affaires** in Jordan, Mr. I. S. Cheddha, was told to come back as soon as possible.

After the withdrawal of the Ambassador from Morocco, the two remaining diplomats would continue to be in their posts, while the mission in Amman would be manned by junior secretarial staff.

A Government spokesman said that the decision to withdraw India's envoy from Morocco was taken because of lack of courtesy to the Indian delegation, which was led by a senior member of the Cabinet. In particular, the Foreign Minister of Morocco was discourteous to the Indian Ambassador. He pointed out that these were very special factors which had determined the decision. He said the host country and chairman had a special responsibility for seeing that the Indian delegation received considerations due to it.

He stated that Jordan was the only country which had actively supported India's exclusion from the **Summit**. In reply to a question, he said that Iran and Turkey did not actively oppose India's participation and at some stage favoured India's participation.

In reply to another question, he said that Pakistan's role was predictable and no question of taking any decision arose.

Move For Another Arab "Summit":

The Arab League Defence Council, meeting in Cairo on November 9 and 10, 1969, decided to recommend to member-Governments that an Arab **Summit** Conference should be held in Rabat in December to discuss a common military and political strategy against Israel.

The decision to recommend the **Summit** came after three days of meetings in which there was unanimity of despair over prospects of a peaceful solution to the West Asian crisis. It also came after President Nasser's speech in which he said that Arab force was the only answer to Israeli aggression.

The call for another Arab **Summit** Conference was first raised by King Hussein 18 months ago when it became clear that his military power had undergone a constant battering from Israel in reprisal for the snowballing Palestinian guerrilla action. It gained momentum after the fire in the El Aqsa Mosque welded the Arabs into a rare unity.

Arab League Mission's Statement:

The Arab League Mission in New Delhi (which was given diplomatic recognition some years ago) issued a statement on November 6, 1969 seeking to justify the Government's efforts to join the **summit** meeting of the Islamic States in Rabat in September, 1969.

While expressing the hope that "India will continue to participate in such gatherings in the future," the Mission's statement said: "The Arab League has been and is still concerned over the reports appearing in the Indian Press about India's participation in the Islamic **summit**. The Arab world has been anxious, ever since the preparations for this Rabat Conference started, that India should take part at the Rabat meeting," but did not offer any clue to the developments which eventually kept the Indian official delegation out of the Conference.

Tendering an apology for the rebuff India suffered at Rabat, it said: "It cannot be said with too much emphasis that the Arab world deeply regrets the fact that the Indian delegation could not take part in the last session of the Conference."

Praising India's consistent support to the Arabs, it said: "Our struggle is not a narrow religious feud, but a confrontation between forces of nationalism and the concerted will of our people for liberation and progress on the one hand and the aggressive forces of religious fanaticism, racism and Zionism as a colonial movement on the other."

Indian Government's Win On Rabat Issue In Lok Sabha:

In the first trial of strength in the Indian Lok Sabha on November 17, 1969 after the Congress Parliamentary Party broke into two, Mrs. Indira Gandhi's Government secured a majority of 166 in an adjournment motion on the Islamic **Summit** at Rabat held in September, 1969.

At the end of an acrimonious debate on the adjournment motion by the Swatantra member, Mr. Piloo Mody, on the Rabat issue, the voting was 140 in favour of adjournment, 306 against, and two abstentions.

If this voting trend persists, it is stated, Mrs. Gandhi's Government would survive even without Communist votes totalling 43—CPI 24 and CPM 19. Excluding these 43, the Government would still command 263 votes, which is more than half the total strength of 523 of the Lok Sabha.

Besides the two Communist Parties, DMK and several Independent members were known to have voted against the adjournment motion. SSP and P-SP members had announced during the debate that they would vote for the adjournment.

The total attendance at the time of voting was 448, perhaps a record. The number of votes cast for the motion was stated by the Congress (Opposition) to be 143 and not 140. Four seats are vacant.

Almost four of every five votes cast against the Government when the Lok Sabha divided on the adjournment motion on Rabat came from three parties—Congress in opposition, Swatantra and Jana Sangh. Their votes came to 117 out of the total of 146, with Congress (Opp) contributing 57, Swatantra 31 and Jana Sangh 29.

The voting clearly brought out that Mrs. Gandhi at the head of a 210-member ruling party had enough strength to beat back the challenge even without the support she received from friendly Opposition parties.

Since both socialist parties supported the adjournment motion, the theory of Rightists combining against the Government cannot be substantiated. But the fact remains that out of 17 P-SP members, only eight voted against the Government. Of the other nine, one voted with the Government "by mistake" and eight stayed away.

In the SSP's case, 13 of its 17 members voted against the Government while four absented. It was noteworthy, however, that this party fell in line with the P-SP's view that the Rabat fiasco did not merit a no-confidence move but only an adjournment motion. As the P-SP's expert on parliamentary procedure, Mr. Nath Pai had clarified in advance that an adverse vote on an adjournment motion need not oblige the Government to resign.

Among 56 "unattached" members, belonging either to smaller parties like the BKD and Akali Dal or the Independents, 32 voted with the Government and nine against it. Fifteen chose to be absent. One unattached member, Mr. Sanjiva Reddy, is now with the Congress in opposition.

The number of absentees came to 65—40 from the Opposition and 25 from the undivided Congress Party. The House has at present 518 voting members. The Speaker apart, there are four vacancies.

The CPI threw its full strength of 24 behind the Government, while the DMK and the CPM had one absentee each.

Mr. Dinesh Singh's Statement In Parliament:

The Indian Minister for External Affairs, Mr. Dinesh Singh, stated on November 19, 1969 in the Rajya Sabha that the Rabat episode would leave its mark on the minds of the people in this country, but this "will not deflect us from our basic approach in West Asia."

Making a statement on the Rabat **Summit** Conference, he defended the participation of India at the Conference and said that the Indian Ambassador in Rabat had conducted himself with dignity and restraint "in an extraordinary situation." "Honourable members will agree with me that Pakistan succeeded in deflecting the deliberations of the Conference from their basic objective. It is regrettable that the Arab nations at the Conference allowed Pakistan to lead them into such an **impasse.**"

Referring to the religious sentiments of the people in the region being exploited from time to time to serve political ends, he said: "We have ourselves been the victims of the political exploitation of religious feelings which finally resulted in Partition. We have, thus, to work together with these progressive and secular forces in West Asia and North Africa, as elsewhere, to strengthen the ideas and concepts we value. After all, the foreign policy of a country is the instrument for the promotion of its national objectives abroad.

"Our secularism does not mean that we are against religion but that we respect all religions and treat all our people as equals, irrespective of their religious beliefs.

"It is not that we have shunned participation in religious functions, but we have not promoted one at the cost of the other. We cannot be shy of political meetings if our attendance is in the national interest, even if they bear some religious label. And this happens sometimes in this region where interested Powers deliberately attempt to mix religion with politics. Pakistan was one such country which always attempted to exploit the religious sentiments of the people. We have experienced it in our bilateral relations and we have watched it in Pakistan's foreign relations.

"It is in this context we considered our attitude towards such conferences, especially Islamic conferences. Mr. Nehru had decided as early as 1955 that we must continue to oppose pan-Islamic groupings which were attempts to give religious cover to political activities in the interest of a small group of countries." Mr. Nehru had also decided that "we should as a Government continue to keep out of purely religious conferences while we should allow non-official delegations to participate in them. In fact, he felt that it might be useful if they attended such meetings and put forward the points of view of Indian Muslims."

The statement also recalled how the decision to hold the **Summit** Conference was taken by a preparatory committee comprising six countries and said that the Saudi Arabian representative in the preparatory committee had proposed India's participation, which was supported by Malaysia and Morocco.

Mr. Singh said that some misinformed criticism had been made alleging that India had begged for an invitation. This was not correct.

The situation arising out of the exclusion of the Indian delegation from the final meeting was considered by the Government in the light of the clarifications received from most participating countries.

"It was quite clear that Morocco, as the Chairman of the Conference and the host country, had a special responsibility to see that the Indian delegation continued to participate in the Conference and was not excluded from the concluding session.

"We also came to the conclusion that Jordan was the country which, immediately after President Yahya Khan changed his mind, took the position that it would join Pakistan in abstaining from further meetings if India attended."

(**The Hindustan Times** and **The Indian Express,** New Delhi, **Le Monde,** Paris and **The Times,** London)

[Prev. ref. 9178:ISR:C, 9265:INI:B]

B. Nuclear Non-Proliferation Treaty Signed By Ninety-one States: The Soviet Union, USA, West Germany and Britain as well as 87 non-nuclear States have signed the Nuclear Non-Proliferation Treaty since July 1, 1968.

France and China have kept out on the ground that the Treaty did not effectively check the nuclear danger while it merely protected the monopoly of Big Powers.

India, on other hand, has been unwilling to give up its options—although it has announced that it has no intention of making a bomb—since the obligations and responsibilities in the Treaty were weighted in favour of the nuclear Powers.

The Soviet ratification on November 24, 1969 followed a meeting of the Presidium of Supreme Soviet in the Kremlin, at which hope was expressed that the Treaty would be a step towards settlement of other important disarmament questions, nuclear disarmament in the first place. Kremlin leaders were of the view that the Treaty would be effective if West Germany acceded to it.

Simultaneously in Washington, the Treaty was ratified by the United States, the other principal nuclear Power with which the Soviet Union was now conducting secret preliminary talks in Helsinki on limitation of strategic arms.

Britain, the third nuclear Power, had ratified the Treaty earlier.

To date, 90 countries had signed the Treaty but only 22 had completed formal ratification procedures. The Treaty to ban the spread of nuclear weapons—or 'know-how' to make them—to countries that do not possess them will become effective when 43 countries deposit their ratification papers. Nineteen more still will be needed after Washington and Moscow make their deposits.

UN Debate:

On June 19, 1969, the UN Security Council approved a resolution embodying Big-Power guarantees of "immediate assistance" for any non-nuclear State facing nuclear aggression.

The Council made a formal commitment to "act immediately" in accordance with UN Charter obligations "in the event of such attack". The voting was 10 for none against with five abstentions.

The resolution further re-affirmed the inherent right of individual and collective self-defence if an armed attack were launched against any UN member-State, "until the Security Council has taken measures necessary."

Algeria, Brazil, France, India and Pakistan abstained from voting. All the other members voted for the draft.

The Council's action was the culminating point of UN consideration of the Nuclear Non-Proliferation Treaty barring the spread of nuclear weapons which the General Assembly had approved a week earlier.

The UN General Assembly had asked that the document be opened as soon as possible to signature and ratification. It becomes effective when USA, Russia and Britain and 40 other countries have completed this procedure.

The abstention votes were cast by States which felt that the Treaty did not go far enough and that the assurances themselves were inadequate.

The resolution, in addition to welcoming the security assurances made some additional points. It re-affirmed the right of any member-country to take measures for individual and collective self-defence if they come under armed attack until the Council acted to maintain peace and security.

Mr. Tewfik Bouattoura (Algeria) said that the resolution was either superfluous or inadequate because neither China nor France was prepared to become a party to the Non-Proliferation Treaty.

The Pakistani Ambassador, Mr. Agha Shahi, said that the resolution should not have been adopted until security assurances had been discussed at a UN conference of non-nuclear countries scheduled in Geneva from August 29 to September 28. He also called for a "more dependable security system."

The Indian delegate, Mr. G. Parthasarathy denounced the proposed security assurances by USA, the Soviet Union and Britain as discriminatory and violative of the UN Charter.

Mr. Parthasarathy re-iterated India's decision to continue its policy of peaceful uses of nuclear enerpy, but warned that the interest of the international community in encouraging non-nuclear Powers to remain so could be achieved "only by ensuring the security of all non-nuclear States in conformity with our Charter, regardless of whether or not they sign the Treaty."

He said that in the Indian Government's view, the problem of security of non-nuclear weapon States against use or threat of use of nuclear weapons arose from possession, continued stockpiling and further sophistication of nuclear weapons and the means of their delivery. The real hope of security for non-nuclear weapon States lay in nuclear disarmament when nuclear weapons would have been completely eliminated.

He added: "I should like to emphasize that any security assurances that might be offered by nuclear weapons States could not and should not be regarded as **quid pro quo for** signature and its own merits. The threat of nuclear weapons to non-nuclear weapon States arises directly from the possession of such weapons by certain States. That threat has nothing to do with signature or no signature of the Treaty. That threat has existed in the past and would continue to remain even after the Treaty has been concluded, until such time as the nuclear menace has been eliminated altogether. The assurance of security to non-nuclear weapon States is an obligation on the nuclear weapon States and not something which they could or should offer in return for signature by the non-nuclear weapon States."

Japan Not To Sign At Once:

The Japanese Foreign Office said on June 22, 1969 that Japan would not sign the Nuclear Non-Proliferation Treaty on July 1—the day when the Treaty as a UN-approved document would be open for signature.

Japan voted commendation and approval of the Treaty at the UN General Assembly but she would not immediately rush to sign it. She wanted to study the Treaty more closely before she signed it.

Diplomatic observers, however, thought that by delaying her signature for a few days, she was seeking to avoid giving the impression that she was following closely US policy in this matter.

Indian Analysis:

The Institute of Defence Studies and Analysis in New Delhi has pointed out that India—even if she were to start on a nuclear weapons programme today—would not be in a position to deter China for the next eight or ten years.

It argued that India would eventually have to go in for a weapons programme, but she should not do so in a hurry. The cost of achieving a "balanced" nuclear capability would not be less than $10,000 million (Rs. 7,500 crores), a sum not beyond India's capability if spread over a ten to 15-year period. The present period of economic difficulties was "least favourable", however, for starting on a crash programme of weapons development.

India should, however, build up its capability to undertake such a programme in the future by stepping up research and development for both industrial and defence applications. The manufacture of weapons could be undertaken at a later date if a review of the international situation showed it to be necessary. This strategy would postpone India's entry into the nuclear weapons field. But it would give her a more sophisticated and balanced capability than an immediate programme. Besides, this would throw less strain upon the economy.

The rush into the manufacture of a few bombs now would be of no benefit **vis-a-vis** China with its greatly superior capability. "While China is developing thermo-nuclear missiles, India has no delivery system available to it other than outmoded aircraft."

Concentration on research and development in the period immediately ahead would not involve large-scale diversion of foreign exchange. It would be consistent, therefore, with the effort envisaged in the Fourth Plan to expand the industrial and engineering base. The larger the base, the easier it would be to sustain the effort to build up an independent nuclear deterrent and an appropriate delivery system.

In deciding upon a policy for India, the leadership in New Delhi would have to take into account its impact on other countries. India's entry into the nuclear field need not necessarily mean Israel, UAR and Pakistan taking to a weapons programme. If India, with its industrial capacity, and the size of its economy, is faced with many difficulties in turning nuclear, these problems would be very much more acute in the case of these Powers. But any Indian decision may provide a plausible excuse for West Germany to adopt a nuclear weapons programme.

"The Soviet Union may not feel any great misgiving about an Indian nuclear capability. But if the Indian initative were to trigger off a German decision, the Soviet Union would find it extremely unwelcome.

"Indian security needs Soviet interest and support. The Soviet reaction must, therefore, be given due weight in deciding upon Indian policy."

Discussing the security guarantees being offered by USA, USSR and Great Britain, it argued that this did not provide credible reassurance. "Yet, the fact that both the super-Powers have an important geo-political stake in India is a reality of the present situation. This in itself provides a deterrent against Chinese adventurism."

(**The Times,** London and **The Times of India,** Bombay)

[Prev. ref. 9259:AOA:Z]

C. Pearson Commission's Report On Foreign Aid: The Commission on International Development, an independent body financed by the World Bank, issued its report, **Partners in Development,** on October 1, 1969.

The Commission was headed by the former Canadian Prime Minister, Mr. Lester B. Pearson.

The report reviewed the recent history of economic development and development aid and included recommendations addressed to developing countries, industrialized countries and international organizations.

Seen as a whole, the report stated, the recommendations embodied "a strategy for the strengthening of international co-operation for development" in which the principal objectives were: to create a framework for free and equitable international trade; to promote mutually beneficial flows of foreign private investment; to establish a better partnership, a clearer purpose, and a greater coherence in development aid; to increase the volume of aid; to make aid administration more effective; to re-direct technical assistance; to slow the growth of population; to revitalize aid to education and research, and to strengthen the multilateral aid system.

The Commission recorded its view that the better understanding now existing of development problems and the progress already achieved over the past two decades gave hope that existing obstacles to steady development progress could be effectively surmounted.

Main Recommendations:

In its main recommendations, the Commission made the following points:

(1) To be successful, development must be a partnership based on joint effort towards clearly defined goals; performance of all participants, donor and recipient, could be more effectively reviewed;

(2) Aid, trade and investment policies were interrelated, and certain measures should be taken to ensure that they were harmonized in support of development;

(3) Trade policies of advanced countries that raised obstacles to the growth of export earnings of developing countries should be changed, and advanced countries should grant general, non-reciprocal tariff preferences to the manufactures of developing countries;

(4) The volume of official development aid should rise to 0.7 per cent of Gross National Product (GNP) by 1975 if possible, and in no case later than 1980, as part of an increase in the over-all flow of resources to one per cent of donors' GNP by 1975;

(5) The proportion of the multilateral component of aid should be raised from 10 per cent of total official assistance to a minimum of 20 per cent by 1975;

(6) The International Development Association should have a large role in the aid system, with its resources expanded from the present $400 million to $1,500 million by 1975;

(7) Measures should be taken to alleviate the debt problem of developing countries by liberal use of long-term debt re-scheduling and other means, and to reduce future debt problems by fixing an interest rate no higher than two per cent on official development assistance loans, with maturity and grace periods of 25 to 40 years and 7 to 10 years respectively;

(8) A fund should be established within the World Bank to subsidize interest rates on some Bank loans;

(9) The United Nations should appoint a Commissioner for Population; an international programme should be launched through the World Bank, in consultation with the World Health Organization, for the mobilization of research in the field of fertility control;

(10) Greater resources should be made available for educational research and experimentation, looking to new education system conceived by and for developing countries; and

(11) The President of the World Bank should call a conference in 1970 of heads of international and national agencies and representatives of donor and recipient countries to discuss the creation of machinery to relate aid and development to other areas of foreign economic policy.

Besides the Chairman, Mr. Pearson, the Commission comprised Sir Edward Boyle (United Kingdom), Mr. Roberto de Oliveira Campose (Brazil), Mr. C. Douglas Dillon (United States), Mr. Wilfried Guth (Federal Republic of Germany), Sir W. Arthur Lewis (St. Lucia), Mr. Robert E. Marjolin (France) and Mr. Saburo Okita (Japan).

(**UN Newsletter**)

[Prev. ref. 8821:AOA:D]

D. Presidential Nomination To Supreme Court Rejected By US Senate: The US Senate rejected in Washington on November 21, 1969 the nomination to the Supreme Court of Mr. Clement F. Haynsworth, Jr, denying a President his choice for the high bench for the first time in 39 years. The vote was 55 to 45.

Mr. Haynsworth was nominated to replace former Associate Justice Abe Fortas, who had resigned on May 14 under criticism for alleged improper financial dealings. It was the same charge that led to the defeat of Mr. Haynsworth of South Carolina, Chief Judge of the 4th US Circuit Court of Appeals.

This was the first time since April 7, 1930 that a Supreme Court nominee had been rejected by the Senate. At that time also, the nominee was a southerner, Mr. John J. Parker, of North Carolina. He lost on a 41-to-39 vote.

Mr. Haynsworth's rejection was the first major Congressional setback for President Nixon, who said in a statement that he regretted the Senate's decision and added: "I believe the majority of the people in the nation regret it."

He said: "I deplore the nature of the attacks that have been made upon this distinguished man. His integrity is unimpeachable, his ability unquestioned. The Supreme Court needs men of his legal philosophy to restore the proper balance to that great institution."

(The New York Times)

E. US Foreign Aid Bill Passed: President R. Nixon's first foreign aid Bill was passed by the House of Representatives in Washington on November 20, 1969 by 176 votes to 163.

The measure provided $2,195 million against $2,630 million sought by President Nixon for foreign aid during the 1970 fiscal year, which ends next June.

Relatively few changes were made in the Bill as approved by the Foreign Affairs Committee.

Thus, the cutback in development funds to $425,500,000 a year would total $100 million over a two-year period. About 26 per cent of these funds go to India, Brazil, Chile, Colombia, Indonesia, South Korea, Pakistan and Turkey in the form of low-interest loans.

(The New York Times)

[Prev. ref. 8821:AOA:C & D]

F. USA To Destroy Stockpiles Of Bacteriological Weapons: The US President, Mr. R. Nixon, announced in Washington on November 25, 1969 that USA would destroy all existing stockpiles of bacteriological weapons.

He told correspondents that USA would never employ germ warfare even if an enemy were to do so.

He announced that Government research would be limited to defensive measures such as search for immunization serums against germ weapons that others might use.

In a formal statement, he said he was taking a series of moves in the chemical bacteriological areas as "an initiative toward peace." He believed his actions would "sharply reduce" the possibility of chemical or germ weapons ever being used by any nation.

He asked the Senate to promptly ratify a 1925 Geneva protocol prohibiting the first use in war of "asphixiating, poisonous or other gases and of bacteriological methods of warfare."

The USA was joining Canada in associating itself with the principles and objectives of a British-sponsored proposed convention to ban the use of biological methods of warfare. Further, he said he had asked the Defence Department "to make recommendations as to the disposal of existing stocks of bacteriological weapons". White House sources said this meant that such stockpiles would be destroyed.

(The New York Times)

[Prev. ref. 5287:RVN:A, 8020:AOA: H]

G. Fatalities Under Communist Rule: According to estimates published in the British magazine **Time and Tide** in the third week of November, 1969, communism has taken a toll of nearly 100 million lives since the Bolshevik Revolution overthrew the Czarist **regime** in Russia.

As was to be expected, Russia and China accounted between them for nearly 90 million deaths. China's impressive score in search of a better life was the loss of 44.5 million lives, but the bulk of the deaths were in Russia.

The Revolution of 1917, successive waves of pre-Stalinist and Stalinist purges and the Siberian concentration camps accounted, apparently, for 45 million deaths. To this was added the "Iron Curtain" countries of Eastern Europe over which Russia extends her shadow. Lives sacrificed in Poland, Hungary, Czechoslovakia, Rumania, Albania and Yugoslavia were estimated at 3.6 million.

The Chinese civil war that exploded in Yenan and sent Gen. Chiang Kai-shek into Formosan exile and established the rule of Mr. Mao Tse-tung took a toll of 20 million lives. The process of consolidation of Mr. Mao's **regime** meant the liquidation of 9.5 million more people, described as "class enemies".

China's "Great Leap Forward", which plunged the country into a disastrous famine, resulted in the death of 13 million more. Finally, about 2 million had perished since 1950 in Chinese slave labour camps.

The table made no mention of people killed as a result of Communist insurrection in India, but it said that the Chinese invasion of Tibet and subsequent revolts by the Tibetans had cost 200,000 lives.

Fatalities in the Korean War were estimated at 1.5 million and the bloody revolution in Zanzibar, which overthrew the Sultan and his Arab court and led to the union of the Island with Tanzania, was at the expense of another 13,000 lives.

(The Statesman, New Delhi)

H. State Of World Currencies: According to the November, 1969 issue of Pick's **World Currency Report,** at least 62 devaluations were decreed during the past year. They included the once powerful French franc and the members of its currency area.

The shaky position of the £ sterling and its associated units had continued to generate increasing fears about its future. Of the existing 128 monetary units, at least 118 were not only inconvertible but subject to constant blackmarket dealings, and the craving for the private possession of gold had continued to complicate the lives of capitalistic and socialist currency administrators.

Neither the German **de facto** and **de jure** upvaluation of the Mark, nor the creation of paper gold (SDR's) had served to convince hoarders all over the globe of the uselessness of their reserves, small or large, of the yellow metal. Talk of adopting the "crawling peg" system or the practice of frequent mini-devaluations in the style of Chile or Brazil had also encouraged hoarders to put more of their assets into gold. As any devaluation, no matter what the size, could be made only by an increase of the price of gold in terms of national currency units, bullion or coins had helped protect the little man and the top politician and was much better than Wall Street or any kind of Government bond.

An important factor for the continued increase of private absorption of gold was the constant rise in the cost of living in every land on the globe, including countries behind the Iron Curtain. Despite the fact that the free marks prices of bars and coins had not increased greatly during the past year, private gold ownership had risen by about mini $2,100,000,000 or an average of $5,753,000 a day between the end of October, 1968 and the same date in 1969 when it had amounted to at least $24.6 billion against $22.5 billion 12 months earlier. This quantity, exceeding the official gold stocks of Austria, Belgium, Canada, France, West Germany, Italy, Netherland, Spain, the United Kingdom and the International Monetary Fund, was a rather impressive amount. It corresponded to 15 years, 9 months and 12 days of free world gold production at the 1968 rate. Hoarders of the yellow metal, with holdings about 135 per cent greater than the US gold stock, were not discouraged by any one of the measures of the American Treasury to avoid a rise in the official gold price.

The dishoarding of gold could not be expected as long as Governments everywhere "expropriate all those who believe their propaganda. Inflation and taxes will continue to increase hoarding until the United States capitulates and raises the gold price in the same proportion as it has allowed the cost of living to increase over the past 35 years."

The principal changes in hoarding trends during the past nine years showed an overall rise of such private holdings by 66.2 per cent. It was interesting to note that these gold stocks in Asia had risen from mini $3.2 billion in 1961 to mini $5.1 billion in 1969 at the official price of $35 an ounce.

(**The Times,** London)

[Prev. ref. 8430:AOA:C]

I. Money Value Of World Currencies Shrinks: The First City Bank's Monthly Economic Letter for October, 1969 carried the results of its annual round-the-world survey of the shrinkage of the value of money.

According to the survey, the currency that had suffered the least depreciation in the decade 1958-68 was that of Guatemala (0.2 per cent) with El Salvador, Venezuela, Thailand and the United States taking second, third, fourth and fifth place.

At the bottom of the ladder was Indonesia. It had experienced an annual rate of depreciation of as much as 59 per cent, followed by Brazil, Argentina, Chile and South Viet-Nam.

India experienced an annual rate of depreciation of nearly 6 per cent in the decade.

If the currencies were ranged by their annual rate of depreciation in 1967-68, the dollar slipped down the list with a four per cent decline in its purchasing power. France and the United Kingdom also experienced considerable price inflation in the year under review. In most other industrial countries the upward pressure on price "remained relatively subdued until almost the end of 1968."

In countries like Argentina, India, Pakistan, the Philippines and Turkey the rate of currency depreciation was much lower in 1967-68 than in 1966-67. In India, for example, it was three per cent as against nearly 12, while in Pakistan it was 0.2 per cent as against 6.5.

The Monthly Letter pointed out that if a 4 per cent annual rate of shrinkage in value of currency reduced the real value of a 20 year bond denominated in that currency by almost 60 per cent at maturity.

"A better record of prices stability is an essential pre-requisite to the de-escalation of interest rates around the world."

The following table shows the annual rates of depreciation of world currencies:

	Indexes of Value of Money (1958 – 100)		Annual Rates of Depreciation		
	1963	1968	'58-'68*	'66-'67	'67-'68
			(in percentage)		
Guatemala	100	98	0.2	0.5	1.9
El Salvador	102	97	0.3	1.4	2.5
Venezuela	95	92	0.9	-1.0	1.0
Thailand	101	89	1.2	3.8	2.2
United States	94	83	1.9	2.7	4.0
Greece	92	83	1.9	1.6	0.4
Honduras	95	83	1.9	2.5	2.2
Luxembourg	95	82	2.0	2.2	2.5
Canada	94	81	2.2	3.5	3.9
South Africa	93	80	2.2	3.3	1.8
West Germany	90	80	2.2	1.7	1.6
Australia	92	79	2.2	3.1	2.6
Belgium	94	79	2.3	2.8	2.7
Morocco	83	79	2.3	-0.8	0.5
Mexico	90	77	2.5	2.9	2.2
Switzerland	90	76	2.7	3.8	2.3
Jamaica	85	75	2.8	2.8	3.7
Pakistan	94	74	2.9	6.5	0.2
United Kingdom	90	74	2.9	2.4	4.5
New Zealand	90	74	3.0	5.7	4.1
Austria	87	73	3.0	3.8	2.7
Iran	79	73	3.1	1.6	0.7
Ireland	91	73	3.1	3.0	4.6
Netherlands	90	72	3.2	3.3	3.6
Italy	86	72	3.2	3.1	1.4
Portugal	90	72	3.3	5.2	5.7
Norway	88	72	3.3	4.2	3.4
Ecuador	87	72	3.3	2.2	4.7
Sweden	87	70	3.5	4.1	1.9
France	80	69	3.8	2.6	4.4
Philippines	86	68	3.8	5.7	-0.1
Finland	86	62	4.7	5.4	7.7
Japan	79	62	4.7	3.8	5.1
Israel	78	61	4.9	1.6	2.1
Denmark	82	60	4.9	7.7	7.1
Formosa	68	60	5.0	3.2	7.3
Spain	78	54	5.9	6.1	4.7
India	87	54	5.9	11.7	3.1
Bolivia	66	48	7.1	7.1	4.9
Turkey	65	47	7.3	12.8	5.6
Iceland	74	44	7.8	3.2	12.0
Colombia	61	37	9.6	7.6	5.5
Peru	68	37	9.6	8.7	16.2
Yugoslavia	71	34	10.2	6.5	6.2
Korea	64	32	10.8	9.8	9.7
South Viet-Nam	84	23	13.5	30.4	22.0
Chile	37	11	20.1	15.3	21.0
Argentina	20	7	23.8	22.7	13.9
Brazil	15	2	32.1	22.8	19.5
Indonesia	8	†	58.9	62.9	55.6

Note: Depreciation computed from unrounded data. Value of money is measured by reciprocals of official cost-of-living or consumer price indexes.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 8094:AOA:D]

J. Alternative Routes For Trans-Asian Railway: Two alternative routes have been prepared for the proposed 14,500-km trans-Asian railway to link Singapore and Istanbul by railway experts of the ECAFE Transport and Communications Committee.

These two routes follow an identical alignment except in Burma and Thailand where two possibilities have been suggested. In Burma, the first route follows the more northerly one via the former capital of Mandalay, Alon, Ye-u, Kalemyo and Tamu into India by way of Imphal and Silchar. The second route follows a more north-westerly direction via Prome, Thayetomyo and Akyab into Cox's Bazar (East Pakistan) to Ramu, Dohazari and Chittagong.

Between Thailand and Burma, the alternatives shown relate to Thailand only, i.e., Phit Sanulok-Tak and Euphanburi-Tak.

Although the net-work routes have been stated to be from Singapore to Istanbul, the railways of Indonesia, on the two main islands of Sumatra and Java, will also form part of the net-work, through ferry connexions betweet Pandjang-Merak and Belwan-Port Swettenham (Malaysia).

The possible alignments, as proposed, pass through all the capitals of the region. Spur lines, to give rail access to landlocked Afghanistan, Laos and Nepal, have also been proposed. The length of the alignment from Singapore to Istanbul by the first route is 14,543 km and by the second 14,113 km. The missing links to be supplied work out at 1,595 km and 1,965 km for the two routes.

(**The Hindustan Times,** New Delhi)

[Prev. ref. 7915:AFG:C, 8155:BUR:A]

K. World's Second Biggest Merchant Fleet: According to Lloyd's Register of Shipping, Japan has overtaken Britain to become the owner of the world's second biggest merchant fleet.

Japan has shown an increase in gross tonnage of more than seven million in two years and now has a 23,987,000 tons share of the total world tonnage, which is put at 211,661,000 tons.

Liberia stays in top place with a registered 29,215,000 tons—double its 1964 figure—while Britain has dropped to third place with 23,844,000 tons. The Register attributes the increased tonnages of many countries' fleets to the bigger ships now going into service. Greece showed its largest gain since 1960, while the Bel-

080730

gian fleet is now over the million-ton mark.

Sales of tonnage, primarily oil tankers between 10 and 15 years old, have resulted in a pause in the growth of the Norwegian fleet, while that of USA, relegated to fifth place, continues to decline. The world fleet, with the largest increase ever recovered, doubled since 1956.

The following table shows the principal merchant fleets of the world, compared with 1968, in thousand tons gross:

Liberia	29,215	(+3.495)
Japan	23,987	(+4,400)
Britain	23,844	(+1,923)
Norway	19,679	(+ 12)
USA	19,550	(— 118)
Russia	13,705	(+1,643)
Greece	8,581	(+1,165)
Italy	7,038	(+ 414)
West Germany	7,027	(+ 499)
France	5,962	(+ 166)
Panama	5,374	(+ 277)
Netherlands	5,255	(— 13)
Sweden	5,029	(+ 164)
Denmark	3,490	(+ 286)
Spain	3,199	(+ 378)
Canada	2,451	(+ 48)
India	2,238	(+ 293)
Poland	1,536	(+ 194)
Yugoslavia	1,428	(+ 161)
Brazil	1,381	(+ 87)
Finland	1,330	(+ 202)
Argentina	1,218	(+ 21)
Belgium	1,052	(+ 119)
Formosa	962	(+ 199)

(**The Times**, London)

[Prev. ref. 7968:JAP:A, 8329:JAP:P, 9260:AOA:M]

L. Nobel Awards: It was announced in Oslo on October 20, 1969 that the Nobel Peace Prize for 1969 had been awarded to the International Labour Organization (ILO).

The Norwegian Nobel Committee said it had decided to give the Prize to the Organization, which celebrated its 50th anniversary last year. The prize money to go with the Peace prize for 1969 was 375,000 Swedish kroner (Rs. 5,62,500).

The Prize Committee paid tribute to ILO which it described as an organization which had worked to "improve stable social relations" and thus helped safeguard world peace. "In recent years, ILO has also made considerable efforts in the field of technical aid to developing nations."

This was the 10th time that the Committee had given the Peace Prize to an organization.

Prize For Medicine:

On October 16, 1969 three US scientists won the 1969 Nobel Medicine Prize—and a record 375,000 kroner—for discoveries in molecular genetics.

In New York, one of the trio, Dr. Max Delbrueck (63) said he had carried out the work concerned 25 years ago, and was no longer working in the field.

The other two awarded the Prize were Dr. Alfred Hershey (60) and Dr. Salvador Luria.

Dr. Delbrueck, who was born in Berlin, is working at the California Institute of Technology. Dr. Hershey is working at the Carnegie Institute of Washington. Dr. Luria is a professor at the Massachusetts Institute of Technology.

The Caroline Institute, announcing the award, said the trio had set the foundations on which modern molecular biology rests. "Without their contributions the explosive development of this field would not have been possible."

For the fourth consecutive year, the world's coveted medical distinction thus went to USA.

Prize For Literature:

On October 23, 1969 Samuel Beckett, the Irish author, was awarded the 1969 Nobel Prize for Literature.

The Swedish Academy in Stockholm said it had awarded Mr. Beckett the Prize "for his writing which—in new forms for the novel and drama—in the destitution of modern man acquires its elevation".

Among his most famous works are the plays "Ken Attendant Godot" (Waiting For Godot), written in 1952, and "Oh le' Beaux Jours" (Oh, The Good Days) written in 1963.

He was the second Irishman to win the Nobel Prize for Literature, the other being the poet W. B. Yeats (1923). George Bernard Shaw, another Irishman, also won the Prize, but he took British nationality. Prof. E. T. Waltson, also Irish, won the Nobel Prize for Physics in 1951.

Though he was born in Dublin in 1906, most of Mr. Beckett's works are in French. For two years, 1928-29, he was a teacher of English at the French school, Ecole Normale Superieure, and afterwards became a close friend and translator of another famous Irish writer, James Joyce. He had been in France since 1938.

The Literature Prize amounts to 375,000 kroner (about $90,000). It was awarded by King Gustav Adolf at a ceremony on December 10.

Prize For Economic Science:

On October 27, the first Nobel Prize in Economic Science was awarded jointly to Prof. Ragnar Frisch of Oslo (Norway) and Prof. Jan Tinbergen of the Netherlands.

The Academy of Sciences said they were awarding the $72,800 Prize for having "developed and applied dynamic models for the analysis of economic processes".

Prof. Tinbergen (66) had been Chairman of the Committee for Development Planning of UN since 1966.

Prof. Frisch (74) became Professor to Oslo University in 1931 and served as Director of the Institute for Social Economy at the University for many years.

Prize For Physics:

On October 30, the 1969 Nobel Prize for Physics was awarded to Prof. Murray Gell-Mann of USA.

Prof. Gell-Mann was given the Prize for "his contribution and discoveries concerning the classification of elementary particles and their inter-actions."

He was the 28th American to be awarded the Nobel Prize for physics—in which the United States now leads. Britain has received 15, Germany 14 and France 8.

The British scientist, Dr. Derek H. Barton and Norway's Prof. Odd Hasel were jointly awarded the Nobel Prize for Chemistry.

Prof. Barton is from the Imperial College of Science and Technology, London, and Prof. Hassel from the University of Oslo.

(**The Times**, London)

[Prev. ref. 8103:AOA:D, 8644:AOA:C, 8667:AOA:F]

M. World Synod Of Bishops: Pope Paul VI opened in Vatican City on October 11, 1969 the second World Synod of Bishops by warning that the Roman Catholic Church must not adopt any form of democracy similar to those which govern nations.

He told his bishops that he would try to give them greater power in the church without compromising his own supreme responsibility.

He said it was a pleasing duty to confer "wider and more operative efficacy to the collegial character of the episcopate." But, he warned that church unity should not be compromised by "multifarious and excessive particular autonomies."

He called for a more solid co-responsibility in the government of the church "to the relief and support of our own increased and heavy apostolic task."

But, he added: 'Let it be clear, even in this regard, that the government of the church must not take on the appearances and the norms of temporal **regimes**, which are today guided by democratic institu

[illegible] 1999-2000

tions that are sometimes irresponsible and going to excess, by totalitarian forms that are contrary to the dignity of the man who is subject to them."

The extraordinary synod of 147 bishops had been called to discuss the growing crisis of dissent within the Roman Catholic Church.

The official theme of the synod was relations between the Pope, the Vatican and the local churches, and relations between the local churches themselves. But behind it lay the crucial issue of papal power and the ways in which the Pope should share his absolute authority with the rest of the bishops who with him comprise the Episcopal College, the ruling body of the Catholic church.

Anglican-Catholic Commission:

It was announced on October 10, 1969 that Pope Paul and Archbishop Michael Ramsey, head of the Anglican Church, had nominated a permanent Anglican-Catholic Commission to study relations between the two Churches.

The 19-man International Commission will hold its first meeting at Saint George's House, Windsor, England, from January 9 to 15, 1970.

A spokesman for the Vatican's Christian Unity Secretariat said that the Commission would meet once a year, but might decide to set up subcommissions to study specific subjects. The Commission will work on a programme drafted by a Joint Preparatory Commission set up in November, 1969 after Dr. Ramsey had visited Pope Paul that year. This conference had taken the first steps towards restoring unity between the Churches after 400 years of separation.

Two Recommendations Accepted By Pope:

A small dent was made in the Pope's authority in the Catholic church by his accepting two of the recommendations made by the Synod of Bishops.

The first was that the Synod should meet every two years and, second, that the bishops should be represented at the Vatican's curia or secretariat on a permanent basis. But the Pope was adamant that his primacy in the Church should continue.

The Pope did not express his views on two other important recommendations. One of these was that the bishops themselves should prepare the agenda for the Synod. At present, the agenda is presented to them by the Vatican after the Pope's approval. If the bishops got this power, they could include in subsequent Synods such controversial issues as marriage for priests and birth control.

The second was that the Pope should consult the bishops before he decided on major issues. This was to prevent recurrence of crises such as the one raised by the Pope's encyclical on birth control.

According to observers, however, though the bishops were dispersing after re-affirming the Pope's primacy, the Synod had clearly started the democratisation of the Church. The bishops had now a foot lodged securely in the Vatican door and it was only a matter of time till it was opened fully to the changing world.

Synod Closed:

On October 27, 1969, Pope Paul closed the World Synod of Bishops and announced that the next Synod would be convened in 1971.

The Pope, delivering his closing speech, also pledged to set up an enlarged and permanent Synod secretariat that would include several bishops.

He also agreed to the request of his senior bishops that a Synod be held as a general rule every two years to discuss the major problems of the Roman Catholic Church. He agreed that bishops from all over the world should be permanently represented in Rome to act as a link between Synod meetings. "We will also give the utmost consideration to your wishes concerning the possibility of bringing forward by means of these bishops, themes which it is judged necessary to discuss in the Synod."

(**The Times**, London and **The Times of India**, New Delhi)

[Prev. ref. 8488:AOA:C]

N. UN Failure Over S-W Africa: The UN Council for South-West Africa (Namibia) charged with taking over and administering the disputed territory, on October 28, 1969 admitted total failure for the third year.

The 11-member group, in an annual report to the UN General Assembly, stated: "It need scarcely be emphasized that the efforts of the United Nations, including those of the Security Council, have so far produced no change in the totally negative attitude of South Africa concerning the question of Namibia (UN name for South-West Africa)."

Members of the South-West Africa Council are: Chile, Colombia, Guyana, India, Indonesia, Nigeria, Pakistan, Turkey, the United Arab Republic, Yugoslavia and Zambia.

[The South-West Africa Council has been trying since 1967 (the year it was established) to assume control of the territory after the UN declared that South Africa's mandate was terminated. But South Africa has never acknowledged the declaration nor recognized the Council and refuses to communicate with it. The South-West Africa group recommended this year that the Security Council meet immediately to take effective enforcement measures to end South Africa's hold on the territory.]

(**The New York Times**)

[Prev. ref. 5672:AOA:A]

O. Distribution Of "Paper Gold" —IMF Decision: The International Monetary Fund (IMF) voted on October 3, 1969 to distribute $9.5 billion in "paper gold", the world's first international money backed by co-operation instead of gold.

The vote was announced as the IMF drew towards the close of its joint meeting with the World Bank.

The Governor of the Bank of Zambia, Mr. J. B. Zulu, announced that the nations which had agreed to take part in the first distribution of the new money had given at least the 85 per cent vote required to put the IMF Special Drawing Rights (SDRs) into effect.

As is customary, the specific vote was not announced, however. The IMF expected a near-unanimous decision, with only South Africa's position seriously in doubt. South Africa is the IMF's largest gold-producing country. Therefore, it has a special interest not only in the continued use of gold but also in its expansion.

The Fund's Director, Mr. Pierre Paul Schweitzer called the new money "a landmark in the process of international monetary co-operation."

He said indications were that by the end of the year most countries would have completed the steps necessary to participate. About 39 countries had not filed agreements.

(**The New York Times**)

[Prev. ref. 8430:AOA:A]

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INDEX EXPLAINED

For easy use of material in ASIAN RECORDER, a Dictionary Index is provided.

The material is arranged alphabetically by countries under the following main form-headings: Accidents and Disasters, Agriculture, Atomic Energy, Civilization and Culture; Commerce and Industry, Communications, Constitution, Defence, Education, Elections, Finance, Fine Arts, Food, Foreign Relations, Health and Hygiene, International Meetings, Labour and Labour Classes, Land Reforms, Legislation, Planning, Politics and Government, Religion, Social Reforms and Sport.

To find the exact location of a text, you can see under the first alphabet of the first word of an item, or under the country to which an item refers under the appropriate form-heading.

This is how it is done. After describing the item in a slugline, its page-number is given, followed by the abbreviation of the country and the index alphabet allotted to it, each separated by a colon.

Example : (Under I)
INDIA
INTERNATIONAL MEETINGS
Asian Lawyers' Conference 45 : INI : U

In the case of material listed under ASIA OUTSIDE ASIA and SPORT, individual countries and items are mentioned alphabetically. Besides, SPORT is listed under the respective countries.

The following are abbreviations of countries :

Aden	**...ADN**
Afghanistan	**...AFG**
Asia Outside Asia	**...AOA**
Books on Asia	**...BOA**
Burma	**...BUR**
Cambodia	**...CAM**
Ceylon	**...CEY**
China	**...CHI**
Formosa	**...FOR**
Hong Kong	**...HGK**
India	**...INI**
Indonesia	**...IND**
Iran	**...IRN**
Iraq	**...IRQ**
Israel	**...ISR**
Japan	**...JAP**
Jordan	**...JOR**
Korea (North)	**...KRN**
Korea (South)	**...KRS**
Kuwait	**...KUW**
Laos	**...LAO**
Lebanon	**...LEB**
Malaysia	**...MAL**
Maldives	**...MLD**
Mongolia	**...MON**
Nepal	**...NEP**
Pakistan	**...PAK**
Philippines	**...PHI**
Singapore	**...SGP**
Saudi Arabia	**...SUA**
South Arabian Fd.	**...SAF**
Sport	**...SPO**
Thailand	**...THI**
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Yemen	**...YEM**

The index is intensive, easy to consult and understand. Many *see* and *see also* cross-references are provided so that readers can find what they want easily and quickly.

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